

SUBSTITUTE FOR
SENATE BILL NO. 135

(As amended May 3, 2017)

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2018; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. There is appropriated for the department of health
4 and human services for the fiscal year ending September 30, 2018,
5 from the following funds:

6 DEPARTMENT OF HEALTH AND HUMAN SERVICES

7 APPROPRIATION SUMMARY

8	Full-time equated unclassified positions.....	6.0
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9 Full-time equated classified positions.. <<15,339.4>>

Senate Bill No. 135 as amended May 3, 2017

1	Average population	770.0	
2	GROSS APPROPRIATION.....		\$ <25,401,201,500>
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers	13,640,900	
6	ADJUSTED GROSS APPROPRIATION.....		\$ <25,387,560,600>
7	Federal revenues:		
8	Social security act, temporary assistance for needy		
9	families	564,604,400	
10	Capped federal revenues.....	584,046,200	
11	Total other federal revenues.....		<17,197,867,400>
12	Special revenue funds:		
13	Total local revenues.....	113,270,900	
14	Total private revenues.....	149,873,300	
15	Michigan merit award trust fund.....	49,068,700	
16	Total other state restricted revenues.....		<2,377,764,100>
17	State general fund/general purpose.....		\$ <4,351,065,600>
18	Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT		
19	Full-time equated unclassified positions.....	6.0	
20	Full-time equated classified positions.....	714.3	
21	Unclassified salaries--6.0 FTE positions.....		\$ 1,153,000
22	Departmental administration and management--548.1		
23	FTE positions	86,434,400	
24	Demonstration projects--7.0 FTE positions	7,355,100	
25	Developmental disabilities council and		
26	projects--10.0 FTE positions.....	3,073,700	
27	Merger savings--(27.8) FTE positions	(3,052,500)	

1	Office of inspector general--177.0 FTE positions	21,892,200
2	Property management.....	64,339,500
3	Administrative hearing officers.....	11,219,700
4	Terminal leave payments.....	5,686,100
5	Worker's compensation.....	<u>7,502,800</u>
6	GROSS APPROPRIATION.....	\$ 205,604,000
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from department of education.....	1,919,500
10	Federal revenues:	
11	Social security act, temporary assistance for needy	
12	families	22,973,500
13	Capped federal revenues.....	20,342,300
14	Total other federal revenues.....	63,828,100
15	Special revenue funds:	
16	Total local revenues.....	16,400
17	Total private revenues.....	3,843,200
18	Total other state restricted revenues.....	841,400
19	State general fund/general purpose.....	\$ 91,839,600
20	Sec. 103. CHILD SUPPORT ENFORCEMENT	
21	Full-time equated classified positions..... 185.7	
22	Child support enforcement operations--179.7 FTE	
23	positions	\$ 22,312,200
24	Legal support contracts.....	113,607,100
25	Child support incentive payments.....	24,409,600
26	State disbursement unit--6.0 FTE positions.....	<u>8,112,800</u>
27	GROSS APPROPRIATION.....	\$ 168,441,700

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1	Appropriated from:	
2	Federal revenues:	
3	Capped federal revenues.....	1,963,600
4	Total other federal revenues.....	142,415,900
5	State general fund/general purpose.....	\$ 24,062,200
6	Sec. 104. COMMUNITY SERVICES AND OUTREACH	
7	Full-time equated classified positions.....	<<61.6>>
8	Bureau of community services and outreach--20.0 FTE	
9	positions	\$ 2,529,300
10	Community services block grant.....	25,840,000
11	Weatherization assistance.....	16,340,000
12	School success partnership program.....	450,000
13	Homeless programs.....	15,722,000
14	Domestic violence prevention and treatment--14.6 FTE	
15	positions	15,817,200
16	Rape prevention and services--0.5 FTE position.....	5,097,300
17	Child advocacy centers--0.5 FTE position.....	1,500,000
18	Michigan community service commission--15.0 FTE	
19	positions	11,628,700
20	Housing and support services.....	13,031,000
21	<<	
22		
23		
24	>>	
25	Community services and outreach administration--11.0	
26	FTE positions	<u>1,465,000</u>
27	GROSS APPROPRIATION.....	\$ <<109,420,500>>

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1	Appropriated from:		
2	Federal revenues:		
3	Social security act, temporary assistance for needy		
4	families		11,690,500
5	Capped federal revenues		65,800,100
6	Total other federal revenues		<<13,716,200>>
7	Special revenue funds:		
8	Private - collections		44,100
9	Total other state restricted revenues		<<5,540,500>>
10	State general fund/general purpose	\$	12,629,100
11	Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD		
12	WELFARE		
13	Full-time equated classified positions	3,833.2	
14	Children's services administration--171.2 FTE		
15	positions	\$	19,921,700
16	Title IV-E compliance and accountability office--4.0		
17	FTE positions		424,700
18	Child welfare institute--45.0 FTE positions		7,865,600
19	Child welfare field staff - caseload		
20	compliance--2,461.0 FTE positions		229,613,400
21	Child welfare field staff - noncaseload		
22	compliance--320.0 FTE positions		33,370,600
23	Education planners--15.0 FTE positions		1,530,100
24	Peer coaches--45.5 FTE positions		5,737,300
25	Child welfare first line supervisors--578.0 FTE		
26	positions		72,890,500
27	Second line supervisors and technical staff--54.0		

1	FTE positions	8,912,000
2	Permanency resource managers--28.0 FTE positions	3,197,900
3	Contractual services, supplies, and materials	9,280,000
4	Settlement monitor.....	1,885,800
5	Foster care payments.....	195,365,300
6	Guardianship assistance program.....	12,004,800
7	Child care fund.....	188,653,700
8	Adoption subsidies.....	212,142,600
9	Adoption support services--10.0 FTE positions	27,283,500
10	Youth in transition--4.5 FTE positions	15,306,300
11	Child welfare medical/psychiatric evaluations	10,435,500
12	Psychotropic oversight.....	618,200
13	Performance based funding implementation--3.0 FTE	
14	positions	1,444,800
15	Family support subsidy.....	16,951,400
16	Interstate compact.....	179,600
17	Strong families/safe children.....	12,350,100
18	Family preservation programs--13.0 FTE positions	38,877,000
19	Family preservation and prevention services	
20	administration--9.0 FTE positions.....	1,299,300
21	Child abuse and neglect - children's justice	
22	act--1.0 FTE position	622,600
23	Children's trust fund--12.0 FTE positions	3,327,700
24	Attorney general contract.....	4,366,500
25	Prosecuting attorney contracts.....	3,879,500
26	Child protection.....	800,300
27	Child welfare licensing--59.0 FTE positions	6,914,000

1	Child welfare administration travel.....	<u>375,000</u>
2	GROSS APPROPRIATION.....	\$ 1,147,827,300
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG from department of education.....	90,200
6	Federal revenues:	
7	Social security act, temporary assistance for needy	
8	families	388,142,700
9	Capped federal revenues.....	112,540,000
10	Total other federal revenues.....	246,438,500
11	Special revenue funds:	
12	Private - collections.....	2,927,400
13	Local funds - county chargeback.....	11,357,600
14	Total other state restricted revenues.....	2,091,900
15	State general fund/general purpose.....	\$ 384,239,000
16	Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE	
17	JUSTICE	
18	Full-time equated classified positions.....	110.5
19	W.J. Maxey Training School.....	\$ 250,000
20	Bay Pines Center--42.0 FTE positions.....	5,006,900
21	Shawono Center--42.0 FTE positions.....	5,103,400
22	County juvenile officers.....	3,904,300
23	Community support services--3.0 FTE positions.....	2,116,600
24	Juvenile justice, administration and	
25	maintenance--21.0 FTE positions.....	3,739,300
26	Committee on juvenile justice administration--2.5	
27	FTE positions	351,400

1	Committee on juvenile justice grants	<u>3,000,000</u>
2	GROSS APPROPRIATION	\$ 23,471,900
3	Appropriated from:	
4	Federal revenues:	
5	Capped federal revenues	8,330,600
6	Special revenue funds:	
7	Local revenues	5,914,000
8	State general fund/general purpose	\$ 9,227,300
9	Sec. 107. PUBLIC ASSISTANCE	
10	Full-time equated classified positions..... 8.0	
11	Family independence program	\$ 76,012,400
12	State disability assistance payments	11,422,400
13	Food assistance program benefits	2,348,117,400
14	State supplementation	61,696,700
15	State supplementation administration	2,381,100
16	Low-income home energy assistance program	181,718,400
17	Food Bank Council of Michigan	2,045,000
18	Multicultural integration funding	15,303,800
19	Indigent burial	4,375,000
20	Emergency services local office allocations	10,357,500
21	Michigan energy assistance program--1.0 FTE position .	50,000,000
22	Refugee assistance program--7.0 FTE positions	27,993,400
23	Farmer's market wireless equipment purchases	<u>100</u>
24	GROSS APPROPRIATION	\$ 2,791,423,200
25	Appropriated from:	
26	Federal revenues:	
27	Social security act, temporary assistance for needy	

1	families	46,086,200
2	Capped federal revenues.....	203,129,500
3	Total other federal revenues.....	2,349,394,200
4	Special revenue funds:	
5	Total other state restricted revenues.....	72,326,600
6	State general fund/general purpose.....	\$ 120,486,700
7	Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES	
8	Full-time equated classified positions.....	6,323.7
9	Public assistance field staff--4,704.5 FTE positions .	\$ 478,474,300
10	Contractual services, supplies, and materials.....	16,313,500
11	Medical/psychiatric evaluations.....	1,420,100
12	Donated funds positions--288.0 FTE positions.....	32,702,700
13	Training and program support--20.0 FTE positions.....	2,448,000
14	Volunteer services and reimbursement.....	942,400
15	Field policy and administration--66.0 FTE positions..	11,103,600
16	Adult services field staff--496.2 FTE positions.....	47,148,600
17	Nutrition education--2.0 FTE positions.....	33,045,300
18	Employment and training support services.....	4,219,100
19	Michigan rehabilitation services--526.0 FTE positions	128,750,800
20	Independent living.....	12,031,600
21	Electronic benefit transfer (EBT)	8,509,000
22	Administrative support workers--221.0 FTE positions..	12,872,400
23	Elder Law of Michigan MiCAFE contract.....	350,000
24	Field staff travel.....	<u>8,103,900</u>
25	GROSS APPROPRIATION.....	\$ 798,435,300
26	Appropriated from:	
27	Interdepartmental grant revenues:	

1	IDG from department of corrections.....	116,000
2	IDG from department of education.....	7,769,500
3	Federal revenues:	
4	Social security act, temporary assistance for needy	
5	families	67,495,500
6	Capped federal revenues.....	158,349,600
7	Federal supplemental security income.....	8,588,600
8	Total other federal revenues.....	256,192,900
9	Special revenue funds:	
10	Local revenues.....	11,083,500
11	Private revenues.....	10,132,000
12	Other state restricted revenues.....	78,300
13	State general fund/general purpose.....	\$ 278,629,400
14	Sec. 109. DISABILITY DETERMINATION SERVICES	
15	Full-time equated classified positions..... 587.4	
16	Disability determination operations--583.3 FTE	
17	positions	\$ 112,005,400
18	Retirement disability determination--4.1 FTE positions	<u>608,500</u>
19	GROSS APPROPRIATION.....	\$ 112,613,900
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG from DTMB - office of retirement services.....	785,600
23	Federal revenues:	
24	Total other federal revenues.....	108,362,800
25	State general fund/general purpose.....	\$ 3,465,500
26	Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
27	AND SPECIAL PROJECTS	

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1	Full-time equated classified positions.....	97.0	
2	Behavioral health program administration--	77.0 FTE	
3	positions		\$ <<36,683,400>>
4	Gambling addiction--1.0 FTE position.....		3,006,500
5	Protection and advocacy services support		194,400
6	Federal and other special projects		2,535,600
7	Office of recipient rights--19.0 FTE positions		<u>2,721,900</u>
8	GROSS APPROPRIATION.....		\$ <<45,141,800>>
9	Appropriated from:		
10	Federal revenues:		
11	Total other federal revenues		20,091,000
12	Special revenue funds:		
13	Total private revenues		1,004,700
14	Total other state restricted revenues		3,006,500
15	State general fund/general purpose		\$ <<21,039,600>>
16	Sec. 111. BEHAVIORAL HEALTH SERVICES		
17	Full-time equated classified positions.....	9.5	
18	Medicaid mental health services		\$ 2,264,603,500
19	Community mental health non-Medicaid services		120,050,400
20	Medicaid substance use disorder services		50,369,600
21	Civil service charges		399,300
22	Federal mental health block grant--2.5 FTE positions .		15,457,300
23	State disability assistance program substance use		
24	disorder services		2,018,800
25	Community substance use disorder prevention,		
26	education, and treatment		77,075,000
27	Children's waiver home care program		20,241,100

1	Nursing home PAS/ARR-OBRA--7.0 FTE positions	12,274,100
2	Children with serious emotional disturbance waiver...	10,000,000
3	Health homes.....	3,369,000
4	Healthy Michigan plan - behavioral health.....	275,897,700
5	Autism services.....	<u>105,097,300</u>
6	GROSS APPROPRIATION.....	\$ 2,956,853,100
7	Appropriated from:	
8	Federal revenues:	
9	Total other federal revenues.....	1,945,813,400
10	Special revenue funds:	
11	Total local revenues.....	25,475,800
12	Total other state restricted revenues.....	23,881,400
13	State general fund/general purpose.....	\$ 961,682,500
14	Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
15	MENTAL HEALTH SERVICES	
16	Total average population	770.0
17	Full-time equated classified positions.....	2,220.9
18	Caro Regional Mental Health Center - psychiatric	
19	hospital - adult--461.3 FTE positions.....	\$ 57,919,600
20	Average population	145.0
21	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
22	positions	66,489,200
23	Average population	170.0
24	Walter P. Reuther Psychiatric Hospital -	
25	adult--420.8 FTE positions	57,599,600
26	Average population	160.0
27	Hawthorn Center - psychiatric hospital - children	

1	and adolescents--265.4 FTE positions.....	29,484,300
2	Average population	55.0
3	Center for forensic psychiatry--607.3 FTE positions ..	82,823,400
4	Average population	240.0
5	Revenue recapture.....	750,000
6	IDEA, federal special education.....	120,000
7	Special maintenance.....	924,600
8	Purchase of medical services for residents of	
9	hospitals and centers	445,600
10	Gifts and bequests for patient living and treatment	
11	environment	<u>1,000,000</u>
12	GROSS APPROPRIATION.....	\$ 297,556,300
13	Appropriated from:	
14	Federal revenues:	
15	Total other federal revenues.....	35,629,600
16	Special revenue funds:	
17	Total local revenues.....	20,000,500
18	Total private revenues.....	1,000,000
19	Total other state restricted revenues.....	19,376,600
20	State general fund/general purpose.....	\$ 221,549,600
21	Sec. 113. HEALTH POLICY	
22	Full-time equated classified positions.....	42.9
23	Bone marrow transplant registry.....	\$ 250,000
24	Certificate of need program administration--12.3 FTE	
25	positions	2,825,300
26	Health innovation grants.....	100
27	Health policy administration--25.2 FTE positions	13,065,200

1	Human trafficking intervention services	200,000
2	Michigan essential health provider	3,591,300
3	Minority health grants and contracts	612,700
4	Nurse education and research program--3.0 FTE	
5	positions	784,400
6	Primary care services--1.4 FTE positions	4,068,700
7	Rural health services--1.0 FTE position	<u>1,555,500</u>
8	GROSS APPROPRIATION	\$ 26,953,200
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	Interdepartmental grant from the department of	
12	licensing and regulatory affairs	784,400
13	Interdepartmental grant from the department of	
14	treasury, Michigan state hospital finance authority.	117,700
15	Federal revenues:	
16	Social security act, temporary assistance for needy	
17	families	30,400
18	Total other federal revenues	16,869,900
19	Special revenue funds:	
20	Total private revenues	865,000
21	Total other state restricted revenues	2,709,400
22	State general fund/general purpose	\$ 5,576,400
23	Sec. 114. LABORATORY SERVICES	
24	Full-time equated classified positions..... 100.0	
25	Laboratory services--100.0 FTE positions	\$ <u>20,812,100</u>
26	GROSS APPROPRIATION	\$ 20,812,100
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	Interdepartmental grant from the department of	
3	environmental quality	991,000
4	Federal revenues:	
5	Total other federal revenues	2,340,100
6	Special revenue funds:	
7	Total other state restricted revenues	10,633,400
8	State general fund/general purpose	\$ 6,847,600
9	Sec. 115. DISEASE CONTROL, PREVENTION, AND	
10	EPIDEMIOLOGY	
11	Full-time equated classified positions.....	81.4
12	Childhood lead program--2.5 FTE positions.....	\$ 1,572,300
13	Epidemiology administration--43.6 FTE positions	16,085,100
14	Healthy homes program--12.0 FTE positions	27,740,400
15	Immunization program--12.8 FTE positions	16,886,600
16	Newborn screening follow-up and treatment	
17	services--10.5 FTE positions	<u>7,427,500</u>
18	GROSS APPROPRIATION.....	\$ 69,711,900
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Federal revenues:	
22	Total other federal revenues	53,683,100
23	Special revenue funds:	
24	Total private revenues	339,900
25	Total other state restricted revenues	9,679,800
26	State general fund/general purpose	\$ 6,009,100
27	Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES	

1	Full-time equated classified positions.....	226.2	
2	AIDS prevention, testing, and care programs--	37.7	
3	FTE positions		\$ 70,623,800
4	Cancer prevention and control program--	13.0 FTE	
5	positions		15,064,200
6	Chronic disease control and health promotion		
7	administration--	27.4 FTE positions.....	8,461,300
8	Dental programs--	3.8 FTE positions	3,753,600
9	Diabetes and kidney program--	8.0 FTE positions	3,251,600
10	Essential local public health services		40,886,100
11	Health and wellness initiatives--	11.7 FTE positions ..	9,008,400
12	Implementation of 1993 PA 133, MCL 333.17015		20,000
13	Local health services--	1.3 FTE positions	1,955,100
14	Medicaid outreach cost reimbursement to local health		
15	departments		12,500,000
16	Public health administration--	7.0 FTE positions	1,579,500
17	Sexually transmitted disease control program--	20.0	
18	FTE positions		6,295,000
19	Smoking prevention program--	12.0 FTE positions	2,148,300
20	Violence prevention--	2.9 FTE positions	3,124,100
21	Vital records and health statistics--	81.4 FTE	
22	positions		<u>10,049,700</u>
23	GROSS APPROPRIATION.....		\$ 188,720,700
24	Appropriated from:		
25	Federal revenues:		
26	Capped federal revenues		81,100
27	Total other federal revenues		79,856,800

1	Special revenue funds:	
2	Total local revenues.....	5,150,000
3	Total private revenues.....	39,279,600
4	Total other state restricted revenues.....	18,306,800
5	State general fund/general purpose.....	\$ 46,046,400
6	Sec. 117. FAMILY, MATERNAL, AND CHILD HEALTH	
7	Full-time equated classified positions.....	108.3
8	Family, maternal, and child health	
9	administration--49.3 FTE positions.....	\$ 8,507,700
10	Family planning local agreements.....	8,310,700
11	Local MCH services.....	7,018,100
12	Pregnancy prevention program.....	602,100
13	Prenatal care outreach and service delivery	
14	support--14.0 FTE positions	19,328,800
15	Special projects.....	6,289,200
16	Sudden and unexpected infant death and suffocation	
17	program	321,300
18	Women, infants, and children program administration	
19	and special projects--45.0 FTE positions.....	18,045,000
20	Women, infants, and children program local	
21	agreements and food costs	<u>256,285,000</u>
22	GROSS APPROPRIATION.....	\$ 324,707,900
23	Appropriated from:	
24	Federal revenues:	
25	Total other federal revenues.....	252,926,000
26	Special revenue funds:	
27	Total local revenues.....	75,000

1	Total private revenues.....	61,702,400
2	State general fund/general purpose.....	\$ 10,004,500
3	Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND	
4	PREPAREDNESS	
5	Full-time equated classified positions.....	76.0
6	Bioterrorism preparedness--53.0 FTE positions.....	\$ 30,398,600
7	Emergency medical services program--23.0 FTE positions	<u>6,773,600</u>
8	GROSS APPROPRIATION.....	\$ 37,172,200
9	Appropriated from:	
10	Federal revenues:	
11	Total other federal revenues.....	31,366,100
12	Special revenue funds:	
13	Total other state restricted revenues.....	4,020,500
14	State general fund/general purpose.....	\$ 1,785,600
15	Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
16	Full-time equated classified positions.....	46.8
17	Children's special health care services	
18	administration--44.0 FTE positions.....	\$ 6,028,300
19	Bequests for care and services--2.8 FTE positions....	1,535,300
20	Outreach and advocacy.....	5,510,000
21	Nonemergency medical transportation.....	905,900
22	Medical care and treatment.....	<u>247,241,600</u>
23	GROSS APPROPRIATION.....	\$ 261,221,100
24	Appropriated from:	
25	Federal revenues:	
26	Total other federal revenues.....	138,362,100
27	Special revenue funds:	

1	Total private revenues.....	1,013,700
2	Total other state restricted revenues.....	3,382,900
3	State general fund/general purpose.....	\$ 118,462,400
4	Sec. 120. AGING AND ADULT SERVICES AGENCY	
5	Full-time equated classified positions.....	48.0
6	Aging and adult services administration--48.0 FTE	
7	positions	\$ 9,394,700
8	Community services.....	43,717,300
9	Nutrition services.....	42,254,200
10	Employment assistance.....	3,500,000
11	Respite care program.....	6,468,700
12	Senior volunteer service programs.....	<u>4,465,300</u>
13	GROSS APPROPRIATION.....	\$ 109,800,200
14	Appropriated from:	
15	Federal revenues:	
16	Capped federal revenues.....	371,500
17	Total other federal revenues.....	59,627,100
18	Special revenue funds:	
19	Total private revenues.....	520,000
20	Michigan merit award trust fund.....	4,068,700
21	Total other state restricted revenues.....	2,000,000
22	State general fund/general purpose.....	\$ 43,212,900
23	Sec. 121. MEDICAL SERVICES ADMINISTRATION	
24	Full-time equated classified positions.....	453.5
25	Medical services administration--384.5 FTE positions .	\$ 82,310,500
26	Healthy Michigan plan administration--30.0 FTE	
27	positions	48,550,000

1	Electronic health record incentive program--24.0 FTE	
2	positions	144,328,000
3	Technology supporting integrated service	
4	delivery--15.0 FTE positions	<u>17,786,300</u>
5	GROSS APPROPRIATION.....	\$ 292,974,800
6	Appropriated from:	
7	Federal revenues:	
8	Social security act, temporary assistance for needy	
9	families	749,600
10	Capped federal revenues.....	910,700
11	Total other federal revenues.....	244,093,100
12	Special revenue funds:	
13	Total local revenues.....	107,300
14	Total private revenues.....	101,300
15	Total other state restricted revenues.....	336,300
16	State general fund/general purpose.....	\$ 46,676,500
17	Sec. 122. MEDICAL SERVICES	
18	Hospital services and therapy.....	\$ 706,932,600
19	Hospital disproportionate share payments.....	45,000,000
20	Physician services.....	244,695,600
21	Medicare premium payments.....	499,764,900
22	Pharmaceutical services.....	477,385,000
23	Home health services.....	4,700,000
24	Hospice services.....	112,966,100
25	Transportation.....	20,654,000
26	Auxiliary medical services.....	5,500,000
27	Dental services.....	310,801,900

1	Ambulance services.....	18,376,100
2	Long-term care services.....	1,834,381,000
3	Integrated care organizations.....	187,469,700
4	Medicaid home- and community-based services waiver...	349,182,000
5	Adult home help services.....	315,500,000
6	Personal care services.....	9,491,200
7	Program of all-inclusive care for the elderly.....	107,841,200
8	Health plan services.....	5,240,919,800
9	Federal Medicare pharmaceutical program.....	274,563,200
10	Maternal and child health.....	20,279,500
11	Healthy Michigan plan.....	3,934,871,500
12	Subtotal basic medical services program.....	14,721,275,300
13	School-based services.....	109,937,200
14	Special Medicaid reimbursement.....	308,796,100
15	Subtotal special medical services payments.....	<u>418,733,300</u>
16	GROSS APPROPRIATION.....	\$ 15,140,008,600
17	Appropriated from:	
18	Federal revenues:	
19	Total other federal revenues.....	11,008,993,500
20	Special revenue funds:	
21	Total local revenues.....	34,090,800
22	Total private revenues.....	2,100,000
23	Michigan merit award trust fund.....	45,000,000
24	Total other state restricted revenues.....	2,188,704,300
25	State general fund/general purpose.....	\$ 1,861,120,000
26	Sec. 123. INFORMATION TECHNOLOGY	
27	Child support automation.....	\$ 41,877,600

1	Information technology projects and services	158,725,900
2	Michigan Medicaid information system	<u>55,634,400</u>
3	GROSS APPROPRIATION	\$ 256,237,900
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from department of education	1,067,000
7	Federal revenues:	
8	Social security act, temporary assistance for needy	
9	families	23,936,000
10	Capped federal revenues	12,227,200
11	Total other federal revenues	119,278,400
12	Special revenue funds:	
13	Total private revenues	25,000,000
14	Total other state restricted revenues	1,985,800
15	State general fund/general purpose	\$ 72,743,500
16	Sec. 124. ONE-TIME BASIS ONLY APPROPRIATIONS	
17	Full-time equated classified positions	4.5
18	Child lead poisoning elimination board	\$ 100
19	Drinking water declaration of emergency--4.5 FTE	
20	positions	14,041,700
21	Autism navigator	400,100
22	Food Bank Council of Michigan	500,000
23	Prenatal diagnosis clearinghouse website	150,000
24	University autism programs	<u>1,000,000</u>
25	GROSS APPROPRIATION	\$ 16,091,900
26	Appropriated from:	
27	Federal revenues:	

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1	Social security act, temporary assistance for needy	
2	families	3,500,000
3	Special revenue funds:	
4	Total other state restricted revenues	8,861,700
5	State general fund/general purpose	\$ 3,730,200

6 PART 2

7 PROVISIONS CONCERNING APPROPRIATIONS

8 FOR FISCAL YEAR 2017-2018

9 GENERAL SECTIONS

10 Sec. 201. Pursuant to section 30 of article IX of the state

11 constitution of 1963, total state spending from state resources

12 under part 1 for fiscal year 2017-2018 is <<\$6,777,898,400.00>> and

13 state spending from state resources to be paid to local units of

14 government for fiscal year 2017-2018 is <<\$1,352,891,200.00>>. The

15 itemized statement below identifies appropriations from which

16 spending to local units of government will occur:

17 DEPARTMENT OF HEALTH AND HUMAN SERVICES

18 COMMUNITY SERVICES AND OUTREACH

19	Housing and support services	\$	637,300
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21 CHILDREN'S SERVICES AGENCY - CHILD WELFARE

22	Child care fund	\$	152,878,000
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23 PUBLIC ASSISTANCE

24	Family independence program	\$	5,100
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25	State disability assistance payments		742,600
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1	Multicultural integration funding.....		5,478,200
2	BEHAVIORAL HEALTH SERVICES		
3	Medicaid mental health services.....	\$	772,553,100
4	Community mental health non-Medicaid services.....		120,050,400
5	Medicaid substance use disorder services.....		17,505,600
6	State disability assistance program substance use		
7	disorder services		2,018,800
8	Community substance use disorder prevention,		
9	education, and treatment		14,553,400
10	Children's waiver home care program.....		6,500,000
11	Nursing home PAS/ARR-OBRA.....		2,728,200
12	Children with serious emotional disturbance waiver...		3,500,000
13	Health homes.....		70,700
14	Healthy Michigan plan - behavioral health.....		16,029,000
15	Autism services.....		36,641,700
16	HEALTH POLICY		
17	Primary care services.....	\$	87,300
18	LABORATORY SERVICES		
19	Laboratory services.....	\$	5,300
20	DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY		
21	Childhood lead program.....	\$	314,800
22	Immunization program.....		1,039,300
23	Epidemiology administration.....		154,800
24	LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
25	AIDS prevention, testing, and care programs.....	\$	1,089,300
26	Essential local public health services.....		35,736,100
27	Health and wellness initiatives.....		2,189,900

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1	Implementation of 1993 PA 133, MCL 333.17015	300
2	Public health administration.....	1,000
3	Sexually transmitted disease control program.....	701,300
4	FAMILY, MATERNAL, AND CHILD HEALTH	
5	Family, maternal, and children's health services	
6	administration	\$ 8,800
7	Prenatal care outreach and service delivery support ..	2,997,600
8	CHILDREN'S SPECIAL HEALTH CARE SERVICES	
9	Outreach and advocacy.....	\$ 2,440,900
10	Medical care and treatment.....	1,236,200
11	AGING AND ADULT SERVICES AGENCY	
12	Community services.....	\$ 19,383,500
13	Nutrition services.....	11,087,000
14	Respite care program.....	6,468,700
15	Senior volunteer service programs.....	940,800
16	MEDICAL SERVICES	
17	Hospital services and therapy.....	\$ 1,575,500
18	Physician services.....	8,926,800
19	Transportation.....	53,200
20	Dental services.....	2,141,200
21	Long-term care services.....	<u>102,419,500</u>
22	TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	\$ <1,352,891,200>
23	Sec. 202. The appropriations authorized under this part and	
24	part 1 are subject to the management and budget act, 1984 PA 431,	
25	MCL 18.1101 to 18.1594.	
26	Sec. 203. As used in this part and part 1:	
27	(a) "AIDS" means acquired immunodeficiency syndrome.	

1 (b) "CMHSP" means a community mental health services program
2 as that term is defined in section 100a of the mental health code,
3 1974 PA 258, MCL 330.1100a.

4 (c) "CMS" means the Centers for Medicare and Medicaid
5 Services.

6 (d) "Current fiscal year" means the fiscal year ending
7 September 30, 2018.

8 (e) "Department" means the department of health and human
9 services.

10 (f) "Director" means the director of the department.

11 (g) "DSH" means disproportionate share hospital.

12 (h) "EPSDT" means early and periodic screening, diagnosis, and
13 treatment.

14 (i) "Federal poverty level" means the poverty guidelines
15 published annually in the Federal Register by the United States
16 Department of Health and Human Services under its authority to
17 revise the poverty line under 42 USC 9902.

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

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

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

23 (m) "HEDIS" means healthcare effectiveness data and
24 information set.

25 (n) "HMO" means health maintenance organization.

26 (o) "IDEA" means the individuals with disabilities education
27 act, 20 USC 1400 to 1482.

1 (p) "IDG" means interdepartmental grant.

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

3 (r) "Medicaid" means subchapter XIX of the social security
4 act, 42 USC 1396 to 1396w-5.

5 (s) "Medicare" means subchapter XVIII of the social security
6 act, 42 USC 1395 to 1395///.

7 (t) "MiCAFE" means Michigan's coordinated access to food for
8 the elderly.

9 (u) "MiChild" means the program described in section 1670.

10 (v) "MiSACWIS" means Michigan statewide automated child
11 welfare information system.

12 (w) "PAS/ARR-OBRA" means the preadmission screening and annual
13 resident review required under the omnibus budget reconciliation
14 act of 1987, section 1919(e)(7) of the social security act, 42 USC
15 1396r.

16 (x) "PIHP" means an entity designated by the department as a
17 regional entity or a specialty prepaid inpatient health plan for
18 Medicaid mental health services, services to individuals with
19 developmental disabilities, and substance use disorder services.
20 Regional entities are described in section 204b of the mental
21 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid
22 inpatient health plans are described in section 232b of the mental
23 health code, 1974 PA 258, MCL 330.1232b.

24 (y) "Previous fiscal year" means the fiscal year ending
25 September 30, 2017.

26 (z) "Settlement" means the settlement agreement entered in the
27 case of Dwayne B. v Snyder, docket no. 2:06-cv-13548 in the United

1 States District Court for the Eastern District of Michigan.

2 (aa) "SSI" means supplemental security income.

3 (bb) "Temporary assistance for needy families" or "TANF" or
4 "title IV-A" means part A of subchapter IV of the social security
5 act, 42 USC 601 to 619.

6 (cc) "Title IV-B" means part B of title IV of the social
7 security act, 42 USC 620 to 629m.

8 (dd) "Title IV-D" means part D of title IV of the social
9 security act, 42 USC 651 to 669b.

10 (ee) "Title IV-E" means part E of title IV of the social
11 security act, 42 USC 670 to 679c.

12 (ff) "Title X" means subchapter VIII of the public health
13 service act, 42 USC 300 to 300a-8, which establishes grants to
14 states for family planning services.

15 Sec. 204. Unless otherwise specified, the departments and
16 agencies receiving appropriations in part 1 shall use the internet
17 to fulfill the reporting requirements of this part and part 1. This
18 requirement shall include transmission of reports via electronic
19 mail to the recipients identified for each reporting requirement,
20 and it shall include placement of reports on the internet.

21 Sec. 205. Funds appropriated in part 1 shall not be used for
22 the purchase of foreign goods or services, or both, if
23 competitively priced and of comparable quality American goods or
24 services, or both, are available. Preference shall be given to
25 goods or services, or both, manufactured or provided by Michigan
26 businesses if they are competitively priced and of comparable
27 quality. In addition, preference shall be given to goods or

1 services, or both, that are manufactured or provided by Michigan
2 businesses owned and operated by veterans if they are competitively
3 priced and of comparable quality.

4 Sec. 206. The director shall take all reasonable steps to
5 ensure businesses in deprived and depressed communities compete for
6 and perform contracts to provide services or supplies, or both.
7 Each director shall strongly encourage firms with which the
8 department contracts to subcontract with certified businesses in
9 depressed and deprived communities for services, supplies, or both.

10 Sec. 207. The departments and agencies receiving
11 appropriations in part 1 shall prepare a report on out-of-state
12 travel expenses by January 1 of each year. The travel report shall
13 be a listing of all travel by classified and unclassified employees
14 outside this state in the immediately preceding fiscal year that
15 was funded in whole or in part with funds appropriated in the
16 department's budget. The report shall be submitted to the senate
17 and house appropriations committees, the senate and house fiscal
18 agencies, and the state budget director. The report shall include
19 the following information:

20 (a) The dates of each travel occurrence.

21 (b) The transportation and related costs of each travel
22 occurrence, including the proportion funded with state general
23 fund/general purpose revenues, the proportion funded with state
24 restricted revenues, the proportion funded with federal revenues,
25 and the proportion funded with other revenues.

26 Sec. 208. Funds appropriated in part 1 shall not be used by a
27 principal executive department, state agency, or authority to hire

1 a person to provide legal services that are the responsibility of
2 the attorney general. This prohibition does not apply to legal
3 services for bonding activities and for those outside services that
4 the attorney general authorizes.

5 Sec. 209. By November 30, the state budget office shall
6 prepare and transmit a report that provides for estimates of the
7 total general fund/general purpose appropriation lapses at the
8 close of the prior fiscal year. This report shall summarize the
9 projected year-end general fund/general purpose appropriation
10 lapses by major departmental program or program areas. The report
11 shall be transmitted to the chairpersons of the senate and house
12 appropriations committees, and the senate and house fiscal
13 agencies.

14 Sec. 210. (1) In addition to the funds appropriated in part 1,
15 there is appropriated an amount not to exceed \$400,000,000.00 for
16 federal contingency funds. These funds are not available for
17 expenditure until they have been transferred to another line item
18 in part 1 under section 393(2) of the management and budget act,
19 1984 PA 431, MCL 18.1393. These funds shall not be made available
20 to increase TANF authorization.

21 (2) In addition to the funds appropriated in part 1, there is
22 appropriated an amount not to exceed \$45,000,000.00 for state
23 restricted contingency funds. These funds are not available for
24 expenditure until they have been transferred to another line item
25 in part 1 under section 393(2) of the management and budget act,
26 1984 PA 431, MCL 18.1393.

27 (3) In addition to the funds appropriated in part 1, there is

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

6 (4) In addition to the funds appropriated in part 1, there is
7 appropriated an amount not to exceed \$60,000,000.00 for private
8 contingency funds. These funds are not available for expenditure
9 until they have been transferred to another line item in part 1
10 under section 393(2) of the management and budget act, 1984 PA 431,
11 MCL 18.1393.

12 Sec. 211. The department shall cooperate with the department
13 of technology, management, and budget to maintain a searchable
14 website accessible by the public at no cost that includes, but is
15 not limited to, all of the following for each department or agency:

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

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

18 (c) Fiscal year-to-date payments to a selected vendor,
19 including the vendor name, payment date, payment amount, and
20 payment description.

21 (d) The number of active department employees by job
22 classification.

23 (e) Job specifications and wage rates.

24 Sec. 212. (1) On or before February 1 of the current fiscal
25 year, the department shall report to the senate and house
26 appropriations subcommittees on the department budget, the senate
27 and house fiscal agencies, and the state budget director on the

1 detailed name and amounts of estimated federal, restricted,
2 private, and local sources of revenue that support the
3 appropriations in each of the line items in part 1.

4 (2) Upon the release of the next fiscal year executive budget
5 recommendation, the department shall report to the same parties in
6 subsection (1) on the amounts and detailed sources of federal,
7 restricted, private, and local revenue proposed to support the
8 total funds appropriated in each of the line items in part 1 of the
9 next fiscal year executive budget proposal.

10 Sec. 213. The department shall maintain, on a publicly
11 accessible website, a department scorecard that identifies, tracks,
12 and regularly updates key metrics that are used to monitor and
13 improve the department's performance.

14 Sec. 214. Total authorized appropriations from all sources
15 under part 1 for legacy costs for the current fiscal year are
16 estimated at \$335,657,300.00. From this amount, total agency
17 appropriations for pension-related legacy costs are estimated at
18 \$172,731,300.00. Total agency appropriations for retiree health
19 care legacy costs are estimated at \$162,926,000.00.

20 Sec. 215. If a legislative objective of this part or of a bill
21 or amendment to a bill to amend the social welfare act, 1939 PA
22 280, MCL 400.1 to 400.119b, cannot be implemented because
23 implementation would conflict with or violate federal regulations,
24 the department shall notify the state budget director, the chairs
25 of the senate and house subcommittees on the department budget, and
26 the senate and house fiscal agencies and policy offices of that
27 fact.

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

7 (2) The department's ability to satisfy appropriation fund
8 sources in part 1 shall not be limited to collections and accruals
9 pertaining to services provided in the current fiscal year, but
10 shall also include reimbursements, refunds, adjustments, and
11 settlements from prior years.

12 Sec. 218. The department shall include, but not be limited to,
13 the following in its annual list of proposed basic health services
14 as required in part 23 of the public health code, 1978 PA 368, MCL
15 333.2301 to 333.2321:

16 (a) Immunizations.

17 (b) Communicable disease control.

18 (c) Sexually transmitted disease control.

19 (d) Tuberculosis control.

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

21 (f) Screening newborns for the conditions listed in section
22 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
23 recommended by the newborn screening quality assurance advisory
24 committee created under section 5430 of the public health code,
25 1978 PA 368, MCL 333.5430.

26 (g) Health and human services annex of the Michigan emergency
27 management plan.

1 (h) Prenatal care.

2 Sec. 219. (1) The department may contract with the Michigan
3 Public Health Institute for the design and implementation of
4 projects and for other public health-related activities prescribed
5 in section 2611 of the public health code, 1978 PA 368, MCL
6 333.2611. The department may develop a master agreement with the
7 Michigan Public Health Institute to carry out these purposes for up
8 to a 3-year period. The department shall report to the senate and
9 house appropriations subcommittees on the department budget, the
10 senate and house fiscal agencies, and the state budget director on
11 or before January 1 of the current fiscal year all of the
12 following:

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

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

17 (c) The expected project duration.

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

21 (2) From funds appropriated in part 1 and allocated to the
22 Michigan Public Health Institute, the department shall post or
23 provide links on its website to all reports, studies, and
24 publications produced by the Michigan Public Health Institute or
25 its subcontractors.

26 Sec. 220. The department shall ensure that faith-based
27 organizations are able to apply and compete for services, programs,

1 or contracts that they are qualified and suitable to fulfill. The
2 department shall not disqualify faith-based organizations solely on
3 the basis of the religious nature of their organization or their
4 guiding principles or statements of faith.

5 Sec. 221. According to section 1b of the social welfare act,
6 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this
7 part as a time-limited addendum to the social welfare act, 1939 PA
8 280, MCL 400.1 to 400.119b.

9 Sec. 222. (1) The department shall make the entire policy and
10 procedures manual available and accessible to the public via the
11 department website.

12 (2) The department shall report by April 1 of the current
13 fiscal year on each specific policy change made to implement a
14 public act affecting the department that took effect during the
15 prior calendar year to the senate and house appropriations
16 subcommittees on the budget for the department, the joint committee
17 on administrative rules, the senate and house fiscal agencies, and
18 policy offices. The department shall attach each policy bulletin
19 issued during the prior calendar year to this report.

20 Sec. 223. The department may establish and collect fees for
21 publications, videos and related materials, conferences, and
22 workshops. Collected fees shall be used to offset expenditures to
23 pay for printing and mailing costs of the publications, videos and
24 related materials, and costs of the workshops and conferences. The
25 department shall not collect fees under this section that exceed
26 the cost of the expenditures.

27 Sec. 224. The department may retain all of the state's share

1 of food assistance overissuance collections as an offset to general
2 fund/general purpose costs. Retained collections shall be applied
3 against federal funds deductions in all appropriation units where
4 department costs related to the investigation and recoupment of
5 food assistance overissuances are incurred. Retained collections in
6 excess of such costs shall be applied against the federal funds
7 deducted in the departmentwide administration appropriation unit.

8 Sec. 225. (1) Sanctions, suspensions, conditions for
9 provisional license status, and other penalties shall not be more
10 stringent for private service providers than for public entities
11 performing equivalent or similar services.

12 (2) Neither the department nor private service providers or
13 licensees shall be granted preferential treatment or considered
14 automatically to be in compliance with administrative rules based
15 on whether they have collective bargaining agreements with direct
16 care workers. Private service providers or licensees without
17 collective bargaining agreements shall not be subjected to
18 additional requirements or conditions of licensure based on their
19 lack of collective bargaining agreements.

20 Sec. 226. If the revenue collected by the department from fees
21 and collections exceeds the amount appropriated in part 1, the
22 revenue may be carried forward with the approval of the state
23 budget director into the subsequent fiscal year. The revenue
24 carried forward under this section shall be used as the first
25 source of funds in the subsequent fiscal year.

26 Sec. 227. The state departments, agencies, and commissions
27 receiving tobacco tax funds and Healthy Michigan fund revenue from

1 part 1 shall report by April 1 of the current fiscal year to the
2 senate and house appropriations committees, the senate and house
3 fiscal agencies, and the state budget director on the following:

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

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

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

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

14 Sec. 228. From funds appropriated in part 1 for Healthy
15 Michigan plan, \$1,000,000.00 shall be distributed to the Medicaid
16 health plans to inform residents about Healthy Michigan plan
17 incentives that have been shown to improve health outcomes. The
18 incentives shall be limited to those health outcomes measured
19 within the Healthy Michigan plan evaluation. The department shall
20 not use funds appropriated in part 1 to advertise enrollment in the
21 Healthy Michigan plan.

22 Sec. 229. (1) The department shall extend the interagency
23 agreement with the Michigan talent investment agency for the
24 duration of the current fiscal year, which concerns TANF funding to
25 provide job readiness and welfare-to-work programming. The
26 interagency agreement shall include specific outcome and
27 performance reporting requirements as described in this section.

1 TANF funding provided to the talent investment agency in the
2 current fiscal year is contingent on compliance with the data and
3 reporting requirements described in this section. The interagency
4 agreement must require the talent investment agency to provide all
5 of the following items by January 1 of the current fiscal year for
6 the previous fiscal year to the senate and house appropriations
7 subcommittees on the department budget:

8 (a) An itemized spending report on TANF funding, including all
9 of the following:

10 (i) Direct services to recipients.

11 (ii) Administrative expenditures.

12 (b) The number of family independence program (FIP) recipients
13 served through the TANF funding, including all of the following:

14 (i) The number and percentage who obtained employment through
15 Michigan Works!

16 (ii) The number and percentage who fulfilled their TANF work
17 requirement through other job readiness programming.

18 (iii) Average TANF spending per recipient.

19 (iv) The number and percentage of recipients who were referred
20 to Michigan Works! but did not receive a job or job readiness
21 placement and the reasons why.

22 (2) By March 1 of the current fiscal year, the department
23 shall provide to the senate and house appropriations subcommittees
24 on the department budget, the senate and house fiscal agencies, and
25 the senate and house policy offices an annual report on the
26 following matters itemized by Michigan Works! agency: the number of
27 referrals to Michigan Works! job readiness programs, the number of

1 referrals to Michigan Works! job readiness programs who became a
2 participant in the Michigan Works! job readiness programs, the
3 number of participants who obtained employment, and the cost per
4 participant case.

5 Sec. 231. From funds appropriated in part 1 for travel
6 reimbursements to employees, the department shall allocate up to
7 \$100,000.00 toward reimbursing counties for the out-of-pocket
8 travel costs of the local county department board members and
9 county department directors to attend 1 meeting per year of the
10 Michigan County Social Services Association.

11 Sec. 232. (1) The department shall provide the approved
12 spending plan for each line item receiving an appropriation in the
13 current fiscal year to the senate and house appropriations
14 subcommittees on the department budget and the senate and house
15 fiscal agencies within 60 days of approval by the department. The
16 spending plan shall include the expenditures by category, the
17 contracted amount of the expenditures, the period of performance
18 for the expenditure, the fund source of the expenditure, the
19 allocation for the expenditure in the previous period, the change
20 in the allocation of the expenditure, the revenue sources for the
21 line item, detailing general fund/general purpose, state
22 restricted, local, private and federal revenue; including the grant
23 number, the original authorization, the adjusted authorization,
24 expected revenue, the authorization less the expected revenue, and
25 the planned expenditure. Figures included in the spending plan
26 approval shall not be assumed to constitute the actual final
27 expenditures, as line items may be updated on an as-needed basis to

1 reflect changes in projected expenditures and projected revenue.

2 (2) Notwithstanding any other appropriation authority granted
3 in part 1, the department shall not appropriate any general
4 fund/general purpose funds or any related federal and state
5 restricted funds for special maintenance, remodeling, addition -
6 state facilities, or enterprise-wide information technology
7 investments without providing a written 30-day notice to the senate
8 and house appropriations subcommittees on the budget for the
9 department, the senate and house fiscal agencies, and policy
10 offices.

11 Sec. 233. By March 1 of the current fiscal year, the
12 department shall report to the senate and house appropriations
13 subcommittees on the department budget, the senate and house fiscal
14 agencies, the senate and house policy offices, and state budget
15 office on the status of the merger, executed according to Executive
16 Order No. 2015-4, of the department of community health and the
17 department of human services to create the department of health and
18 human services. The report shall include, but not be limited to,
19 all of the following information:

20 (a) The impact on the lives and well-being of the people of
21 Michigan.

22 (b) Any direct and indirect fiscal costs or savings that
23 resulted from the merger.

24 (c) A step-by-step explanation as to how the integrated
25 service delivery will be implemented by the department and the
26 direct and indirect costs for each step of implementation.

27 (d) An explanation of actual or any planned consolidation of

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1 duplicative programs as a result of the merger.

2 Sec. 234. The department shall advance pilots and
3 demonstration models that integrate the Medicaid behavioral and
4 physical health benefit. In fulfilling the directive described in
5 this section, the department shall periodically consult with
6 stakeholder groups, the medical care advisory committee, and the
7 house and senate appropriations subcommittees on the department
8 budget. For the duration of the integration pilot or demonstration
9 model, the managing Medicaid health plan shall capture all
10 behavioral health efficiency savings and reinvest those savings
11 back into services for the Medicaid behavioral health population
12 covered by the pilot or demonstration model. <<Upon completion of any
pilots or demonstration models advanced under this section the
results of the pilot or demonstration model must be evaluated by a
neutral, independent, third party.>> The managing Medicaid
13 health plan must submit a report to the senate and house
14 appropriations subcommittee on the department budget, the senate
15 and house fiscal agencies, the senate and house policy offices, and
16 the state budget office by April 1 on any efficiencies and savings
17 resulting from the pilot or demonstration model. The demonstration
18 models are based on a goal to achieve total Medicaid benefit and
19 financial integration by September 30, 2020 that will rely on a
20 single contracting model between this state and licensed health
21 plans, regulated by both the department of insurance and financial
22 services to assure financial viability and the department to assure
23 overall programmatic performance.

24 Sec. 240. The department shall notify the senate and house
25 appropriations subcommittees on the department budget, the senate
26 and house fiscal agencies, and the senate and house policy offices
27 of any changes to a child welfare master contract template,

1 including the adoption master contract template, the independent
2 living plus master contract template, the placing agency foster
3 care master contract template, and the residential foster care
4 juvenile justice master contract template, not less than 30 days
5 before the change takes effect.

6 Sec. 252. The appropriations in part 1 for Healthy Michigan
7 plan - behavioral health, Healthy Michigan plan administration, and
8 Healthy Michigan plan are contingent on the provisions of the
9 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were
10 contained in 2013 PA 107 not being amended, repealed, or otherwise
11 altered to eliminate the Healthy Michigan plan. If that occurs,
12 then, upon the effective date of the amendatory act that amends,
13 repeals, or otherwise alters those provisions, the remaining funds
14 in the Healthy Michigan plan - behavioral health, Healthy Michigan
15 plan administration, and Healthy Michigan plan line items shall
16 only be used to pay previously incurred costs and any remaining
17 appropriations shall not be allotted to support those line items.

18 Sec. 263. (1) Except as otherwise provided in this subsection,
19 before submission of a waiver, a state plan amendment, or a similar
20 proposal to CMS or other federal agency, the department shall
21 provide written notification of the planned submission to the
22 senate and house appropriations subcommittees on the department
23 budget, the senate and house fiscal agencies and policy offices,
24 and the state budget office. This subsection does not apply to the
25 submission of a waiver, a state plan amendment, or similar proposal
26 that does not propose a material change or is outside of the
27 ordinary course of waiver, state plan amendment, or similar

1 proposed submissions.

2 (2) The department shall provide written biannual reports to
3 the senate and house appropriations subcommittees on the department
4 budget, the senate and house fiscal agencies, and the state budget
5 office summarizing the status of any new or ongoing discussions
6 with CMS or the United States Department of Health and Human
7 Services or other federal agency regarding potential or future
8 waiver applications as well as the status of submitted waivers that
9 have not yet received federal approval. If, at the time a biannual
10 report is due, there are no reportable items, then no report is
11 required to be provided.

12 Sec. 264. 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. 265. Within 14 days after the release of the executive
16 budget recommendation, the department shall cooperate with the
17 state budget office to provide the senate and house appropriations
18 chairs, the senate and house appropriations subcommittees chairs on
19 the department budget, and the senate and house fiscal agencies
20 with an annual report on estimated state restricted fund balances,
21 state restricted fund projected revenues, and state restricted fund
22 expenditures for the previous fiscal year and the current fiscal
23 year.

24 Sec. 270. The department shall advise the legislature of the
25 receipt of a notification from the attorney general's office of a
26 legal action in which expenses had been recovered pursuant to
27 section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106,

1 or any other statute under which the department has the right to
2 recover expenses. By November 1 and May 1 of the current fiscal
3 year, the department shall submit a written report to the senate
4 and house appropriations subcommittees on the department budget,
5 the senate and house fiscal agencies, and the state budget office
6 that includes, at a minimum, all of the following:

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

8 (b) The program or service for which the money was originally
9 expended.

10 (c) Details on the disposition of the funds recovered such as
11 the appropriation or revenue account in which the money was
12 deposited.

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

14 Sec. 274. (1) The department, in collaboration with the state
15 budget office, shall submit to the senate and house appropriations
16 subcommittees on the department budget, the senate and house fiscal
17 agencies, and the senate and house policy offices 1 week after the
18 day the governor submits to the legislature the budget for the
19 ensuing fiscal year a report on spending and revenue projections
20 for each of the capped federal funds listed below. The report shall
21 contain actual spending and revenue in the previous fiscal year,
22 spending and revenue projections for the current fiscal year as
23 enacted, and spending and revenue projections within the executive
24 budget proposal for the fiscal year beginning October 1, 2018 for
25 each individual line item for the department budget. The report
26 shall also include federal funds transferred to other departments.
27 The capped federal funds shall include, but not be limited to, all

1 of the following:

2 (a) TANF.

3 (b) Title XX social services block grant.

4 (c) Title IV-B part I child welfare services block grant.

5 (d) Title IV-B part II promoting safe and stable families
6 funds.

7 (e) Low-income home energy assistance program.

8 (2) The department, in collaboration with the state budget
9 office, shall not utilize capped federal funding for economics
10 adjustments for FTEs or other economics costs that are included as
11 part of the budget submitted to the legislature by the governor for
12 the ensuing fiscal year.

13 (3) By February 15 of the current fiscal year, the department
14 shall prepare an annual report of its efforts to identify
15 additional TANF maintenance of effort sources and rationale for any
16 increases or decreases from all of the following, but not limited
17 to:

18 (a) Other departments.

19 (b) Local units of government.

20 (c) Private sources.

21 Sec. 279. (1) All master contracts relating to human services
22 as funded by the appropriations in sections 103, 104, 105, 106,
23 107, 108, and 109 of part 1 shall be performance-based contracts
24 that employ a client-centered results-oriented process that is
25 based on measurable performance indicators and desired outcomes and
26 includes the annual assessment of the quality of services provided.

27 (2) By February 1 of the current fiscal year, the department

1 shall provide the senate and house appropriations subcommittees on
2 the department budget, the senate and house fiscal agencies and
3 policy offices, and the state budget office a report detailing
4 measurable performance indicators, desired outcomes, and an
5 assessment of the quality of services provided by the department
6 during the previous fiscal year.

7 Sec. 280. On a quarterly basis, the department shall provide a
8 report to the senate and house appropriations committees, the
9 senate and house fiscal agencies, the senate and house policy
10 offices, and the state budget director that provides all of the
11 following for each line item in part 1 containing personnel-related
12 costs, including the specific individual amounts for salaries and
13 wages, payroll taxes, and fringe benefits:

14 (a) FTE authorization.

15 (b) Spending authorization for personnel-related costs, by
16 fund source, under the spending plan.

17 (c) Actual year-to-date expenditures for personnel-related
18 costs, by fund source, through the end of the prior month.

19 (d) The projected year-end balance or shortfall for personnel-
20 related costs, by fund source, based on actual monthly spending
21 levels through the end of the prior month.

22 (e) A specific plan for addressing any projected shortfall for
23 personnel-related costs at either the gross or fund source level.

24 Sec. 288. (1) Beginning October 1 of the current fiscal year,
25 no less than 95% of a new department contract supported solely from
26 state restricted funds or general fund/general purpose funds and
27 designated in this part or part 1 for a specific entity for the

1 purpose of providing services to individuals shall be expended for
2 such services after the first year of the contract.

3 (2) The department may allow a contract to exceed the
4 limitation on administrative and services costs if it can be
5 demonstrated that an exception should be made to the provision in
6 subsection (1).

7 (3) By September 30 of the current fiscal year, the department
8 shall report to the senate and house appropriations subcommittees
9 on the department budget, the senate and house fiscal agencies, and
10 the state budget office on the rationale for all exceptions made to
11 the provision in subsection (1) and the number of contracts
12 terminated due to violations of subsection (1).

13 Sec. 289. By March 1 of the current fiscal year, the
14 department shall provide to the senate and house appropriations
15 subcommittees on the department budget, the senate and house fiscal
16 agencies, and the senate and house policy offices an annual report
17 on the supervisor-to-staff ratio by department divisions and
18 subdivisions.

19 Sec. 290. Any public advertisement for state assistance shall
20 also inform the public of the welfare fraud hotline operated by the
21 department.

22 Sec. 291. The department shall verify, using the e-verify
23 system, that all new department employees, and new hire employees
24 of contractors and subcontractors paid from funds appropriated in
25 part 1, are legally present in the United States. The department
26 may verify this information directly or may require contractors and
27 subcontractors to verify the information and submit a certification

1 to the department.

2 Sec. 295. (1) From funds appropriated in part 1 to agencies
3 providing physical and behavioral health services to multicultural
4 populations, the department shall award grants in accordance with
5 the requirements of subsection (2). The state is not liable for any
6 spending above the contract amount. Funds shall not be released
7 until reporting requirements under article X, section 295 of 2016
8 PA 268 are satisfied.

9 (2) The department shall require each contractor described in
10 subsection (1) that receives greater than \$1,000,000.00 in state
11 grant funding to comply with performance-related metrics to
12 maintain their eligibility for funding. The organizational metrics
13 shall include, but not be limited to, all of the following:

14 (a) Each contractor or subcontractor shall have accreditations
15 that attest to their competency and effectiveness as behavioral
16 health and social service agencies.

17 (b) Each contractor or subcontractor shall have a mission that
18 is consistent with the purpose of the multicultural agency.

19 (c) Each contractor shall validate that any subcontractors
20 utilized within these appropriations share the same mission as the
21 lead agency receiving funding.

22 (d) Each contractor or subcontractor shall demonstrate cost-
23 effectiveness.

24 (e) Each contractor or subcontractor shall ensure their
25 ability to leverage private dollars to strengthen and maximize
26 service provision.

27 (f) Each contractor or subcontractor shall provide timely and

1 accurate reports regarding the number of clients served, units of
2 service provision, and ability to meet their stated goals.

3 (3) The department shall require an annual report from the
4 contractors described in subsection (2). The annual report, due 60
5 days following the end of the contract period, shall include
6 specific information on services and programs provided, the client
7 base to which the services and programs were provided, information
8 on any wraparound services provided, and the expenditures for those
9 services. The department shall provide the annual reports to the
10 senate and house appropriations subcommittees on health and human
11 services, the senate and house fiscal agencies, and the state
12 budget office.

13 Sec. 297. By March 1 and August 1 of the current fiscal year,
14 the department shall report on the number of FTEs in pay status by
15 type of staff. The report shall include a comparison by line item
16 of the number of FTEs authorized from funds appropriated in part 1
17 to the actual number of FTEs employed by the department at the end
18 of the reporting period.

19 Sec. 298. The department shall continue working with
20 stakeholders to improve the coordination of publicly funded
21 physical health and behavioral health services in this state. All
22 efforts made toward improving the coordination of supports and
23 services for persons having or at risk of having intellectual
24 disabilities, developmental disabilities, substance use disorders,
25 or mental health and physical health needs shall be built upon the
26 published core values agreed upon by the workgroup established in
27 section 298 of article X of 2016 PA 268. These values include, but

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1 are not limited to, person-centered planning with the expectation
2 of high quality and consistent care provided statewide. It is the
3 intent of the legislature that the department shall consider the
4 outcomes of pilots implemented under this section and the
5 integration pilots recommended under section 234 when assessing and
6 making recommendations regarding the most effective financing and
7 service delivery models for the provision of Medicaid behavioral
8 health services. <<Upon completion of any pilots advanced under this
section the results of the pilot must be evaluated by a neutral,
independent, third party.>>

9 Sec. 299. (1) No state department or agency shall issue a
10 request for proposal (RFP) for a contract in excess of
11 \$5,000,000.00, unless the department or agency has first considered
12 issuing a request for information (RFI) or a request for
13 qualification (RFQ) relative to that contract to better enable the
14 department or agency to learn more about the market for the
15 products or services that are the subject of the RFP. The
16 department or agency shall notify the department of technology,
17 management, and budget of the evaluation process used to determine
18 if an RFI or RFQ was not necessary prior to issuing the RFP.

19 (2) From funds appropriated in part 1, for all RFPs issued
20 during the current fiscal year where an existing service received
21 proposals by multiple vendors, the department shall notify all
22 vendors within 30 days of the RFP decision. The notification to
23 vendors shall include details on the RFP process, including the
24 respective RFP scores and the respective cost for each vendor. If
25 the highest scored RFP or lowest cost RFP does not receive the
26 contract for an existing service offered by the department, the
27 notification shall issue an explanation for the reasons that the

1 highest scored RFP or lowest cost RFP did not receive the contract
2 and detail the incremental cost target amount or service level
3 required that was required to migrate the service to a new vendor.
4 Additionally, the department shall include in the notification
5 details as to why a cost or service difference is justifiable if
6 the highest scored or lowest cost vendor does not receive the
7 contract.

8 (3) The department shall submit to the senate and house
9 appropriations subcommittees on the department budget, the senate
10 and house fiscal agencies, the senate and house policy offices, and
11 the state budget office by September 30 of the current fiscal year
12 a report that summarizes all RFPs during the current fiscal year
13 where an existing service received proposals by multiple vendors.
14 The report shall list all finalized RFPs where there was a
15 divergence from awarding the contract to the lowest cost or highest
16 scoring vendor. The report shall also include the cost or service
17 threshold required by department policy that must be satisfied in
18 order for an existing contract to be received by new vendor.

19 **DEPARTMENTWIDE ADMINISTRATION**

20 Sec. 307. (1) From funds appropriated in part 1 for
21 demonstration projects, \$950,000.00 shall be distributed as
22 provided in subsection (2). The amount distributed under this
23 subsection shall not exceed 50% of the total operating expenses of
24 the program described in subsection (2), with the remaining 50%
25 paid by local United Way organizations and other nonprofit
26 organizations and foundations.

1 (2) Funds distributed under subsection (1) shall be
2 distributed to Michigan 2-1-1, a nonprofit corporation organized
3 under the laws of this state that is exempt from federal income tax
4 under section 501(c)(3) of the internal revenue code of 1986, 26
5 USC 501, and whose mission is to coordinate and support a statewide
6 2-1-1 system. Michigan 2-1-1 shall use the funds only to fulfill
7 the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in
8 January 2005.

9 (3) Michigan 2-1-1 shall refer to the department any calls
10 received reporting fraud, waste, or abuse of state-administered
11 public assistance.

12 (4) Michigan 2-1-1 shall report annually to the department and
13 the senate and house standing committees with primary jurisdiction
14 over matters relating to human services and telecommunications on
15 2-1-1 system performance, the senate and house appropriations
16 subcommittees on the department budget, and the senate and house
17 fiscal agencies, including, but not limited to, call volume by
18 health and human service needs and unmet needs identified through
19 caller data and customer satisfaction metrics.

20 Sec. 310. It is the intent of the legislature that the
21 department shall work with youth-oriented nonprofit organizations
22 to provide mentoring programming for children of incarcerated
23 parents and other at-risk children.

24 Sec. 316. From funds appropriated in part 1 for terminal leave
25 payouts and other employee costs, the department shall not spend in
26 excess of its annual gross appropriation unless it identifies and
27 requests a legislative transfer from another budgetary line item

1 supporting administrative costs, as provided by section 393(2) of
2 the management and budget act, 1984 PA 431, MCL 18.1393.

3 **CHILD SUPPORT ENFORCEMENT**

4 Sec. 401. (1) The appropriations in part 1 assume a total
5 federal child support incentive payment of \$26,500,000.00.

6 (2) From the federal money received for child support
7 incentive payments, \$12,000,000.00 shall be retained by the state
8 and expended for child support program expenses.

9 (3) From the federal money received for child support
10 incentive payments, \$14,500,000.00 shall be paid to the counties
11 based on each county's performance level for each of the federal
12 performance measures as established in 45 CFR 305.2.

13 (4) If the child support incentive payment to the state from
14 the federal government is greater than \$26,500,000.00, then 100% of
15 the excess shall be retained by the state and is appropriated until
16 the total retained by the state reaches \$15,397,400.00.

17 (5) If the child support incentive payment to the state from
18 the federal government is greater than the amount needed to satisfy
19 the provisions identified in subsections (1), (2), (3), and (4),
20 the additional funds shall be subject to appropriation by the
21 legislature.

22 (6) If the child support incentive payment to the state from
23 the federal government is less than \$26,500,000.00, then the state
24 and county share shall each be reduced by 50% of the shortfall.

25 Sec. 409. (1) If statewide retained child support collections
26 exceed \$38,300,000.00, 75% of the amount in excess of

1 \$38,300,000.00 is appropriated to legal support contracts. This
2 excess appropriation may be distributed to eligible counties to
3 supplement and not supplant county title IV-D funding.

4 (2) Each county whose retained child support collections in
5 the current fiscal year exceed its fiscal year 2004-2005 retained
6 child support collections, excluding tax offset and financial
7 institution data match collections in both the current fiscal year
8 and fiscal year 2004-2005, shall receive its proportional share of
9 the 75% excess.

10 Sec. 410. (1) If title IV-D-related child support collections
11 are escheated, the state budget director is authorized to adjust
12 the sources of financing for the funds appropriated in part 1 for
13 legal support contracts to reduce federal authorization by 66% of
14 the escheated amount and increase general fund/general purpose
15 authorization by the same amount. This budget adjustment is
16 required to offset the loss of federal revenue due to the escheated
17 amount being counted as title IV-D program income in accordance
18 with federal regulations at 45 CFR 304.50.

19 (2) The department shall notify the chairs of the senate and
20 house appropriations subcommittees on the department budget and the
21 senate and house fiscal agencies within 15 days of the
22 authorization adjustment in subsection (1).

23 COMMUNITY SERVICES AND OUTREACH

24 Sec. 450. (1) From funds appropriated in part 1 for school
25 success partnership program, the department shall allocate
26 \$450,000.00 by December 1 of the current fiscal year to support the

1 Northeast Michigan Community Service Agency programming, which will
2 take place in each county in the Governor's Prosperity Region 3.
3 The department shall require the following performance objectives
4 be measured and reported for the duration of the state funding for
5 the school success partnership program:

6 (a) Increasing school attendance and decreasing chronic
7 absenteeism.

8 (b) Increasing academic performance based on grades with
9 emphasis on math and reading.

10 (c) Identifying barriers to attendance and success and
11 connecting families with resources to reduce these barriers.

12 (d) Increasing parent involvement with the parent's child's
13 school and community.

14 (2) The Northeast Michigan Community Service Agency shall
15 provide reports to the department on January 31 and June 30 of the
16 current fiscal year on the number of children and families served
17 and the services that were provided to families to meet the
18 performance objectives identified in this section. The department
19 shall distribute the reports within 1 week after receipt to the
20 senate and house appropriations subcommittees on the department
21 budget, the senate and house fiscal agencies, the senate and house
22 policy offices, and the state budget office.

23 Sec. 452. From funds appropriated in part 1 for justice
24 assistance grants, the department shall continue to support
25 forensic nurse examiner programs to facilitate training for
26 improved evidence collection for the prosecution of sexual assault.
27 The funds shall be used for program coordination and training.

1 Sec. 453. From funds appropriated in part 1 for homeless
2 programs, \$100.00 is appropriated for the department to increase
3 emergency shelter program per diem rates to \$16.00 per bed night to
4 support efforts of shelter providers to move homeless individuals
5 and households into permanent housing as quickly as possible. The
6 purpose of this enhancement is to increase the number of shelter
7 discharges to stable housing destinations, decrease recidivism
8 rates for shelter clients, and reduce the average length of stay in
9 emergency shelters.

10 Sec. 454. The department shall allocate the full amount of
11 funds appropriated in part 1 for homeless programs to provide
12 services for homeless individuals and families, including, but not
13 limited to, third-party contracts for emergency shelter services.

14 CHILDREN'S SERVICES AGENCY - CHILD WELFARE

15 Sec. 501. (1) A goal is established that not more than 25% of
16 all children in foster care at any given time during the current
17 fiscal year will have been in foster care for 24 months or more.

18 (2) By March 1 of the current fiscal year, the department
19 shall provide to the senate and house appropriations subcommittees
20 on the department budget, the senate and house fiscal agencies, the
21 senate and house policy offices, and the state budget office a
22 report describing the steps that will be taken to achieve the
23 specific goal established in this section and on the percentage of
24 children who currently are in foster care and who have been in
25 foster care a total of 24 or more months.

26 Sec. 502. From funds appropriated in part 1 for foster care,

1 the department shall provide 50% reimbursement to Indian tribal
2 governments for foster care expenditures for children who are under
3 the jurisdiction of Indian tribal courts and who are not otherwise
4 eligible for federal foster care cost sharing.

5 Sec. 503. (1) In accordance with the final report of the
6 Michigan child welfare performance-based funding task force issued
7 in response to section 503 of article X of 2013 PA 59, the
8 department shall continue to develop actuarially sound case rates
9 for necessary out-of-home child welfare services that achieve
10 permanency by the department and private child placing agencies in
11 a prospective payment system under a performance-based funding
12 model.

13 (2) The department shall continue to develop a prospective
14 rate payment system for private agencies that includes funding for
15 adoption incentive payments. The full cost prospective rate payment
16 system will identify and cover contractual costs paid through the
17 case rate developed by an independent actuary.

18 (3) By March 1 of the current fiscal year, the department
19 shall provide to the senate and house appropriations committees on
20 the department budget, the senate and house fiscal agencies and
21 policy offices, and the state budget office a report on the full
22 cost analysis of the performance-based funding model. The report
23 shall include background information on the project and give
24 details about the contractual costs covered through the case rate.

25 (4) In accordance with the final report of the Michigan child
26 welfare performance-based funding task force issued in response to
27 section 503 of article X of 2013 PA 59, the department shall

1 continue an independent, third-party evaluation of the performance-
2 based funding model. The evaluator shall be selected through a
3 competitive process by a rating committee that includes, but is not
4 limited to, representatives from the department and private child
5 placing agencies.

6 (5) The department shall only implement the performance-based
7 funding model into additional counties where the department,
8 private child welfare agencies, the county, and the court operating
9 within that county have signed a memorandum of understanding that
10 incorporates the intentions of the concerned parties in order to
11 implement the performance-based funding model.

12 (6) The department, in conjunction with members from both the
13 senate and house of representatives, private child placing
14 agencies, the courts, and counties shall implement the
15 recommendations that are described in the workgroup report that was
16 provided in section 503 of article X of 2013 PA 59 to establish a
17 performance-based funding for public and private child welfare
18 services providers. The department shall provide a quarterly report
19 on the status of the performance-based contracting model to the
20 senate and house appropriations subcommittees on the department
21 budget, the senate and house standing committees on families and
22 human services, and the senate and house fiscal agencies and policy
23 offices.

24 (7) From funds appropriated in part 1 for the performance-
25 based funding model pilot, the department shall continue to work
26 with the West Michigan Partnership for Children Consortium on the
27 implementation of the performance-based funding model pilot. The

1 consortium shall accept and comprehensively assess referred youth,
2 assign cases to members of its continuum or leverage services from
3 other entities, and make appropriate case management decisions
4 during the duration of a case. The consortium shall operate an
5 integrated continuum of care structure, with services provided by
6 both private and public agencies, based on individual case needs.
7 The consortium shall demonstrate significant organizational
8 capacity and competencies, including experience with managing risk-
9 based contracts, financial strength, experienced staff and
10 leadership, and appropriate governance structure.

11 Sec. 504. (1) The department may establish a master agreement
12 with the West Michigan Partnership for Children Consortium for a
13 performance-based child welfare contracting pilot program. The
14 consortium shall consist of a network of affiliated child welfare
15 service providers that will accept and comprehensively assess
16 referred youth, assign cases to members of its continuum or
17 leverage services from other entities, and make appropriate case
18 management decisions during the duration of a case.

19 (2) By March 1 of the current fiscal year, the consortium
20 shall provide to the department and the senate and house
21 appropriations subcommittees on the department budget a report on
22 the consortium, including, but not limited to, actual expenditures,
23 number of children placed by agencies in the consortium, fund
24 balance of the consortium, and the status of the consortium
25 evaluation.

26 Sec. 505. By March 1 of the current fiscal year, the
27 department and Wayne County shall provide to the senate and house

1 appropriations subcommittees on the department budget, the senate
2 and house fiscal agencies and policy offices, and the state budget
3 office a report for youth referred or committed for care or
4 supervision in the previous fiscal year and in the first quarter of
5 the current fiscal year outlining the number of youth within each
6 juvenile justice system, the type of setting for each youth,
7 performance outcomes, and financial costs or savings.

8 Sec. 507. The department's ability to satisfy appropriation
9 deducts in part 1 for foster care private collections shall not be
10 limited to collections and accruals pertaining to services provided
11 only in the current fiscal year but may include revenues collected
12 during the current fiscal year for services provided in prior
13 fiscal years.

14 Sec. 508. (1) In addition to the amount appropriated in part 1
15 for children's trust fund grants, money granted or money received
16 as gifts or donations to the children's trust fund created by 1982
17 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

18 (2) The department and the child abuse and neglect prevention
19 board shall collaborate to ensure that administrative delays are
20 avoided and the local grant recipients and direct service providers
21 receive money in an expeditious manner. The department and board
22 shall make available the children's trust fund contract funds to
23 grantees within 31 days of the start date of the funded project.

24 Sec. 511. The department shall provide semiannual reports to
25 the senate and house appropriations subcommittees on the department
26 budget, the senate and house standing committees on families and
27 human services, and the senate and house fiscal agencies and policy

1 offices on the number and percentage of children who received
2 timely health examinations after entry into foster care and the
3 number and percentage of children entering foster care who received
4 a required mental health examination after entry into foster care.

5 Sec. 513. (1) The department shall not expend funds
6 appropriated in part 1 to pay for the direct placement by the
7 department of a child in an out-of-state facility unless all of the
8 following conditions are met:

9 (a) There is no appropriate placement available in this state
10 as determined by the department interstate compact office.

11 (b) An out-of-state placement exists that is nearer to the
12 child's home than the closest appropriate in-state placement as
13 determined by the department interstate compact office.

14 (c) The out-of-state facility meets all of the licensing
15 standards of this state for a comparable facility.

16 (d) The out-of-state facility meets all of the applicable
17 licensing standards of the state in which it is located.

18 (e) The department has done an on-site visit to the out-of-
19 state facility, reviewed the facility records, reviewed licensing
20 records and reports on the facility, and believes that the facility
21 is an appropriate placement for the child.

22 (2) The department shall not expend money for a child placed
23 in an out-of-state facility without approval of the executive
24 director for the children's services agency.

25 (3) The department shall submit an annual report to the state
26 court administrative office, the senate and house appropriations
27 subcommittees on the department budget, the senate and house fiscal

1 agencies, the senate and house policy offices, and the state budget
2 office on the number of Michigan children residing in out-of-state
3 facilities at the time of the report, the total cost and average
4 per diem cost of these out-of-state placements to this state, and a
5 list of each such placement arranged by the Michigan county of
6 residence for each child.

7 (4) It is the intent of the legislature that the department
8 shall work in conjunction with the courts and the state court
9 administrative office to identify data needed to calculate
10 statewide recidivism rates for adjudicated youth placed in either
11 residential secure or nonsecure facilities, defined at 6 months
12 after a youth is released from placement.

13 (5) By March 1 of the current fiscal year, the department
14 shall notify the legislature on the status of efforts to accomplish
15 the intent of subsection (4).

16 Sec. 514. The department shall make a comprehensive report
17 concerning children's protective services (CPS) to the legislature,
18 including the senate and house policy offices and the state budget
19 director, by March 1 of the current fiscal year, that shall include
20 all of the following:

21 (a) Statistical information including, but not limited to, all
22 of the following:

23 (i) The total number of reports of child abuse or child
24 neglect investigated under the child protection law, 1975 PA 238,
25 MCL 722.621 to 722.638, and the number of cases classified under
26 category I or category II and the number of cases classified under
27 category III, category IV, or category V.

1 (ii) Characteristics of perpetrators of child abuse or child
2 neglect and the child victims, such as age, relationship, race, and
3 ethnicity and whether the perpetrator exposed the child victim to
4 drug activity, including the manufacture of illicit drugs, that
5 exposed the child victim to substance abuse, a drug house, or
6 methamphetamine.

7 (iii) The mandatory reporter category in which the individual
8 who made the report fits, or other categorization if the individual
9 is not within a group required to report under the child protection
10 law, 1975 PA 238, MCL 722.621 to 722.638.

11 (iv) The number of cases that resulted in the separation of
12 the child from the parent or guardian and the period of time of
13 that separation, up to and including termination of parental
14 rights.

15 (v) For the reported complaints of child abuse or child
16 neglect by teachers, school administrators, and school counselors,
17 the number of cases classified under category I or category II and
18 the number of cases classified under category III, category IV, or
19 category V.

20 (vi) For the reported complaints of child abuse or child
21 neglect by teachers, school administrators, and school counselors,
22 the number of cases that resulted in separation of the child from
23 the parent or guardian and the period of time of that separation,
24 up to and including termination of parental rights.

25 (b) New policies related to children's protective services
26 including, but not limited to, major policy changes and court
27 decisions affecting the children's protective services system

1 during the immediately preceding 12-month period.

2 (c) Statistical information regarding families that were
3 classified in category III, including, but not limited to, all of
4 the following:

5 (i) The total number of cases classified in category III.

6 (ii) The number of cases in category III referred to voluntary
7 community services and closed with no additional monitoring.

8 (iii) The number of cases in category III referred to
9 voluntary community services and monitored for up to 90 days.

10 (iv) The number of cases in category III for which the
11 department entered more than 1 determination that there was
12 evidence of child abuse or child neglect.

13 (v) The number of cases in category III that the department
14 reclassified from category III to category II.

15 (vi) The number of cases in category III that the department
16 reclassified from category III to category I.

17 (vii) The number of cases in category III that the department
18 reclassified from category III to category I that resulted in a
19 removal.

20 (d) The department policy, or changes to the department
21 policy, regarding children who have been exposed to the production
22 or manufacture of methamphetamines.

23 Sec. 519. The department shall permit any private agency that
24 has an existing contract with this state to provide foster care
25 services to be also eligible to provide treatment foster care
26 services.

27 Sec. 522. (1) From funds appropriated in part 1 for youth in

1 transition, the department shall allocate \$750,000.00 for college
2 scholarships through the fostering futures scholarship program in
3 the Michigan education trust to youths who were in foster care
4 because of child abuse or child neglect and are attending a college
5 located in this state. Of the funds appropriated, 100% shall be
6 used to fund scholarships for the youths described in this section.

7 (2) By March 1 of the current fiscal year, the department
8 shall provide a report to the senate and house appropriations
9 subcommittees on the department budget, the senate and house fiscal
10 agencies, the senate and house policy offices, and the state budget
11 office that includes the number of youths who received scholarships
12 and the amount of each scholarship, and the total amount of funds
13 spent or encumbered in the current fiscal year.

14 Sec. 523. (1) By February 15 of the current fiscal year, the
15 department shall report on the families first, family
16 reunification, and families together building solutions family
17 preservation programs to the senate and house appropriations
18 subcommittees on the department budget, the senate and house fiscal
19 agencies, the senate and house policy offices, and the state budget
20 office. The report shall provide an estimate of total costs savings
21 as a result of avoiding placement of children in foster care for
22 families who received family preservation services and shall
23 include information for each program on any innovations that may
24 increase savings or reductions in administrative costs.

25 (2) From funds appropriated in part 1 for youth in transition
26 and domestic violence prevention and treatment, the department is
27 authorized to make allocations of TANF funds only to agencies that

1 report necessary data to the department for the purpose of meeting
2 TANF eligibility reporting requirements.

3 Sec. 524. As a condition of receiving funds appropriated in
4 part 1 for strong families/safe children, counties must submit the
5 service spending plan to the department by October 1 of the current
6 fiscal year for approval. The department shall approve the service
7 spending plan within 30 calendar days after receipt of a properly
8 completed service spending plan.

9 Sec. 525. The department shall implement the same on-site
10 evaluation processes for privately operated child welfare and
11 juvenile justice residential facilities as is used to evaluate
12 state-operated facilities. Penalties for noncompliance shall be the
13 same for privately operated child welfare and juvenile justice
14 residential facilities and state-operated facilities.

15 Sec. 526. From funds appropriated in part 1 for foster care
16 payments and related administrative costs, the department may
17 implement the federally approved title IV-E child welfare waiver
18 demonstration project. As required under the waiver, any savings
19 resulting from the demonstration project must be quantified and
20 reinvested into child welfare programming.

21 Sec. 532. (1) The department, in collaboration with
22 representatives of private child and family agencies, shall revise
23 and improve the annual licensing review process and the annual
24 contract compliance review process for child placing agencies and
25 child caring institutions. The improvement goals shall be safety
26 and care for children. Improvements to the review process shall be
27 directed toward alleviating administrative burdens so that agency

1 resources may be focused on children. The revision shall include
2 identification of duplicative staff activities and information
3 sought from child placing agencies and child caring institutions in
4 the annual review process. The department shall report to the
5 senate and house appropriations subcommittees on the department
6 budget, the senate and house fiscal agencies and policy offices,
7 and the state budget director on or before January 15 of the
8 current fiscal year on the findings of the annual licensing review
9 and include summaries of actions undertaken to revise, improve, and
10 identify weaknesses in the current annual licensing process and
11 annual contract compliance.

12 (2) The department shall conduct licensing reviews no more
13 than once every 4 years for child placing agencies and child caring
14 institutions that are nationally accredited and have no outstanding
15 violations.

16 Sec. 533. (1) The department shall make payments to child
17 placing facilities for in-home and out-of-home care services and
18 adoption services within 30 days of receiving all necessary
19 documentation from those agencies. It is the intent of the
20 legislature that the burden of ensuring that these payments are
21 made in a timely manner and no payments are in arrears is upon the
22 department.

23 (2) By March 1 of the current fiscal year, the department
24 shall submit a report to the senate and house appropriations
25 subcommittees on the department budget, the senate and house fiscal
26 agencies, the senate and house policy offices, and the state budget
27 office that details each private child placing agency and the

1 percentage of payments that were in excess of 30 days during the
2 entire prior fiscal year and the first quarter of the current
3 fiscal year.

4 Sec. 537. (1) The department, in collaboration with child
5 placing agencies, shall develop a strategy to implement section
6 1150 of the social welfare act, 1939 PA 280, MCL 400.1150. The
7 strategy shall include a requirement that a department caseworker
8 responsible for preparing a recommendation to a court concerning a
9 juvenile placement shall provide, as part of the recommendation,
10 information regarding the requirements of section 1150 of the
11 social welfare act, 1939 PA 280, MCL 400.1150.

12 (2) By March 1 of the current fiscal year, the department
13 shall provide to the senate and house appropriations subcommittees
14 on the department budget, the senate and house fiscal agencies, the
15 senate and house policy offices, and the state budget office a
16 report on the strategy described in subsection (1).

17 Sec. 540. If a physician or psychiatrist who is providing
18 services to state or court wards placed in a residential facility
19 submits a formal request to the department to change the
20 psychotropic medication of a ward, the department shall, if the
21 ward is a state ward, make a determination on the proposed change
22 within 7 business days after the request or, if the ward is a
23 temporary court ward, seek parental consent within 7 business days
24 after the request. If parental consent is not provided within 7
25 business days, the department shall petition the court on the
26 eighth business day.

27 Sec. 546. (1) From funds appropriated in part 1 for foster

1 care payments and from child care fund, the department shall pay
2 providers of general foster care, independent living, and trial
3 reunification services not less than a \$37.00 administrative rate.

4 (2) From funds appropriated in part 1, the department shall
5 pay providers of independent living plus services statewide per
6 diem rates for staff-supported housing and host-home housing based
7 on proposals submitted in response to a solicitation for pricing.
8 The independent living plus program provides staff-supported
9 housing and services for foster youth ages 16 through 19 who,
10 because of their individual needs and assessments, are not
11 initially appropriate for general independent living foster care.

12 (3) From funds appropriated in part 1, the department shall
13 pay providers of foster care services an additional \$9.20
14 administrative rate, if section 117a of the social welfare act,
15 1939 PA 280, MCL 400.117a, is amended to eliminate the county match
16 rate for the additional administrative rate provided in this
17 subsection. Payments under this subsection shall be made, not less
18 than, on a monthly basis. Payments shall not be made to counties
19 with a population greater than 1,700,000 according to the most
20 recent decennial census unless reporting requirements under article
21 X, section 505 of 2016 PA 268 have been satisfied.

22 (4) If required by the federal government to meet title IV-E
23 requirements, providers of foster care services shall submit
24 quarterly expenditure reports to the department to identify actual
25 costs of providing foster care services.

26 (5) From funds appropriated in part 1, the department shall
27 provide an increase to each private provider of residential

1 services, if section 117a of the social welfare act, 1939 PA 280,
2 MCL 400.117a, is amended to eliminate the county match rate for the
3 additional rate provided in this section.

4 Sec. 547. From funds appropriated in part 1 for the
5 guardianship assistance program, the department shall pay a minimum
6 rate that is not less than the approved age-appropriate payment
7 rates for youth placed in family foster care.

8 Sec. 548. (1) From funds appropriated in part 1 for the child
9 care fund, the department shall reimburse counties for court-
10 ordered relative foster care and reimburse counties if a waiver of
11 foster care licensure has been requested for a relative caregiver
12 to forgo foster care licensure when it is determined to be in the
13 child's best interest, as provided in R 400.2023(1)(a)(iv) of the
14 Michigan Administrative Code.

15 (2) The department shall request a waiver of foster care
16 licensure if both of the following apply:

17 (a) The caseworker has fully informed the relative of the
18 benefits of licensure.

19 (b) The caseworker has assessed the relative and the
20 relative's home using the department's initial relative safety
21 screen and the department's relative home assessment and has
22 determined that the relative's home is safe and placement there is
23 in the child's best interest.

24 Sec. 549. The department shall make partial child care fund
25 reimbursements to counties for undisputed charges within 15
26 business days of the receipt of the required forms and
27 documentation. The department shall notify a county within 15

1 business days of a disputed reimbursement request. The department
2 shall reimburse for corrected charges within 15 business days of a
3 properly corrected submission by the county.

4 Sec. 550. (1) The department shall not offset against
5 reimbursement payments to counties or seek reimbursement from
6 counties for charges that were received by the department more than
7 12 months before the department seeks to offset against
8 reimbursement.

9 (2) Subsequent to any original funding source determination
10 made by the department for the status of a youth, the department
11 shall not seek reimbursement from a county if the funding source
12 status of a youth has changed.

13 Sec. 551. From funds appropriated in part 1 for the child care
14 fund, the department shall respond to counties within 10 business
15 days regarding any request for a clarification requested through
16 the department's child care fund management unit electronic mail
17 address.

18 Sec. 552. Fifteen business days after the review of a county's
19 child care fund is completed, the department shall provide the
20 results of the review to the county.

21 Sec. 556. By December 1 of the current fiscal year, the
22 department shall provide an annual report to the subcommittees of
23 the senate and house appropriations committees on the department
24 budget, the senate and house fiscal agencies and policy offices,
25 and the state budget director that includes the following:

26 (a) The number of complaints filed by adoptive parents who
27 were not notified that their adopted child had special needs.

1 (b) The number of cases that received redetermined adoption
2 assistance as defined in section 115f of the social welfare act,
3 1939 PA 280, MCL 400.115f, the total expenditures on the program,
4 and the number of cases in each determination of care level of
5 payment.

6 Sec. 558. (1) The department shall explore ways to maximize
7 use of training programs or courses provided through the child
8 welfare training institute accessible online and in service areas
9 throughout the state, provided the delivery is an appropriate
10 option for achieving specific learning objectives. These training
11 programs and courses shall be made available to employees of
12 private child placing agencies and child caring institutions.

13 (2) The department shall conduct a workgroup consisting of
14 members from the department, private child placing agencies, and
15 child caring institutions, with the goal of reducing the current 4
16 weeks of centralized child welfare institute training class time.
17 It is the intent of the legislature that the number of days of in-
18 person pre-service child welfare training be reduced by 50%. Not
19 later than November 1 of the current fiscal year, the department
20 shall provide a report to the senate and house appropriations
21 subcommittees on the department budget, the senate and house fiscal
22 agencies, the senate and house policy offices, and the state budget
23 office on the findings of the workgroup, including the timeline,
24 feasibility, and cost for the implementation plan required to
25 implement the child welfare training institute redesign.

26 (3) The department shall submit to the senate and house
27 appropriations subcommittees on the department budget, the senate

1 and house fiscal agencies, the senate and house policy offices, and
2 the state budget office by March 1 of the current fiscal year a
3 report on the training programs or courses provided through the
4 child welfare training institute described in subsection (1), and
5 the annual cost for each program or course. The report shall
6 include the following data:

7 (a) The number of training programs or courses that were
8 provided for private agencies.

9 (b) The number of employees from private agencies who attended
10 any training.

11 (c) The number of training programs or courses that were
12 provided through an online forum.

13 (d) The number of training programs or courses that were
14 provided in local service areas.

15 (e) For courses that are in-person or not accessible online,
16 attendance figures for each course.

17 Sec. 559. (1) From funds appropriated in part 1 for adoption
18 support services, the department shall allocate \$250,000.00 to the
19 Adoptive Family Support Network by December 1 of the current fiscal
20 year to operate and expand its adoptive parent mentor program to
21 provide a listening ear, knowledgeable guidance, and community
22 connections to adoptive parents and children who were adopted in
23 this state or another state.

24 (2) The Adoptive Family Support Network shall submit to the
25 senate and house appropriations subcommittees on the department
26 budget, the senate and house fiscal agencies, the senate and house
27 policy offices, and the state budget office by March 1 of the

1 current fiscal year a report on the program described in subsection
2 (1), including, but not limited to, the number of cases served and
3 the number of cases in which the program prevented an out-of-home
4 placement.

5 Sec. 562. The department shall provide time and travel
6 reimbursements for foster parents who transport a foster child to
7 parent-child visitations. As part of the foster care parent
8 contract, the department shall provide written confirmation to
9 foster parents that states that the foster parents have the right
10 to request these reimbursements for all parent-child visitations.
11 The department shall provide these reimbursements within 60 days of
12 receiving a request for eligible reimbursements from a foster
13 parent.

14 Sec. 564. (1) The department shall develop a clear policy for
15 parent-child visitations. The local county offices, caseworkers,
16 and supervisors shall meet a 50% success rate, after accounting for
17 factors outside of the caseworker's control.

18 (2) Per the court-ordered number of required meetings between
19 caseworkers and parent, the caseworkers shall achieve a success
20 rate of 70%, after accounting for factors outside of the
21 caseworker's control.

22 (3) By March 1 of the current fiscal year, the department
23 shall provide to the senate and house appropriations subcommittees
24 on the department budget, the senate and house fiscal agencies, the
25 senate and house policy offices, and the state budget office a
26 report on the following:

27 (a) The percentage of success rate for parent-child

1 visitations and court-ordered required meetings between caseworkers
2 referenced in subsections (1) and (2) for the previous year.

3 (b) The barriers to achieve the success rates in subsections
4 (1) and (2) and how this information is tracked.

5 Sec. 567. (1) The caseworker or supervisor who is assigned to
6 a foster care case is responsible for completing a medical passport
7 for the cases assigned to him or her. If a child in foster care is
8 transferred to a new placement or returned to his or her parent's
9 or guardian's home, the medical passport and any school records in
10 the caseworker's or supervisor's possession must be transferred
11 within 2 weeks from the date of placement or return to the home.

12 (2) The department shall submit to the senate and house
13 appropriations subcommittees on the department budget, the senate
14 and house fiscal agencies, the senate and house policy offices, and
15 the state budget office by March 1 of the current fiscal year a
16 report on the items described in subsection (1), including the
17 following:

18 (a) The percentage of medical passports that were properly
19 filled out.

20 (b) From the total medical passports transferred, the
21 percentage that transferred within 2 weeks from the date of
22 placement or return to the home.

23 (c) From the total school records, the percentage that
24 transferred within 2 weeks from the date of placement or return to
25 the home.

26 (d) The implementation steps that have been taken to improve
27 the outcomes for the measures in subdivisions (a) and (b).

1 Sec. 568. (1) From funds appropriated in part 1 for adoption
2 subsidies, the department shall pay a minimum adoption subsidy rate
3 that is not less than 95% of the rate that was or would have been
4 provided for the adoptee in family foster care at the time of the
5 adoption. This rate includes the determination of care rate that
6 was paid or would have been paid to the adoptive parent for the
7 adoptee in a family foster care placement, and this amount shall be
8 increased to reflect any increase in the standard age appropriate
9 foster care rate.

10 (2) "Determination of care rate" as described in this section
11 means a supplemental payment to the standard age appropriate foster
12 care rate that may be justified when extraordinary care or expense
13 is required. The supplemental payment is based on 1 or more of the
14 following case situations where additional care is required of the
15 foster care provider or adoptive parent or an additional expense
16 exists:

17 (a) Physically disabled children for whom the adoptive parent
18 must provide measurably greater supervision and care.

19 (b) Children with special psychological or psychiatric needs
20 that require extra time and measurably greater amounts of care and
21 attention by the adoptive parent.

22 (c) Children requiring special diets that are more expensive
23 than a normal diet and that require extra time and effort by the
24 adoptive parent to obtain or prepare.

25 (d) Children whose severe acting-out or antisocial behavior
26 requires a measurably greater amount of care and attention of the
27 adoptive parent.

1 (3) The department shall, on a separate form, allow an
2 adoptive parent to sign a certification that he or she rejects a
3 support subsidy.

4 (4) If this section conflicts with state statute enacted
5 subsequent to this act, the state statute controls.

6 Sec. 569. The department shall reimburse private child placing
7 agencies that complete adoptions at the rate according to the date
8 on which the petition for adoption and required support
9 documentation was accepted by the court and not according to the
10 date the court's order placing for adoption was entered.

11 Sec. 573. From funds appropriated in part 1 for foster care
12 payments and for child care fund, the department shall pay
13 providers of foster care services a per diem daily administrative
14 rate for every case on a caseworker's caseload for the duration of
15 a case from referral acceptance to the discharge of wardship.

16 Sec. 574. (1) From funds appropriated in part 1 for foster
17 care payments, \$3,500,000.00 is allocated to support performance-
18 based contracts with child placing agencies to facilitate the
19 licensure of relative caregivers as foster parents. Agencies shall
20 receive \$4,500.00 for each facilitated licensure if completed
21 within 210 days after a child's placement or, if a waiver was
22 previously approved, 210 days from the application date. If the
23 facilitated licensure, or approved waiver, is completed after 210
24 days, the agency shall receive up to \$3,500.00. The agency
25 facilitating the licensure would retain the placement and continue
26 to provide case management services for the newly licensed cases
27 for which the placement was appropriate to the agency.

1 (2) From funds appropriated for foster care payments,
2 \$375,000.00 is allocated to support family incentive grants to
3 private and community-based foster care service providers to assist
4 with home improvements or payment for physical exams for applicants
5 needed by foster families to accommodate foster children.

6 Sec. 583. By February 1 of the current fiscal year, the
7 department shall provide to the senate and house appropriations
8 subcommittees on the department budget, the senate and house
9 standing committees on families and human services, the senate and
10 house fiscal agencies and policy offices, and the state budget
11 office a report that includes:

12 (a) The number and percentage of foster parents that dropped
13 out of the program in the previous fiscal year and the reasons the
14 foster parents left the program and how those figures compare to
15 prior fiscal years.

16 (b) The number and percentage of foster parents successfully
17 retained in the previous fiscal year and how those figures compare
18 to prior fiscal years.

19 Sec. 585. The department shall make available at least 1 pre-
20 service training class each month in which new caseworkers for
21 private foster care and adoption agencies can enroll.

22 Sec. 588. (1) Concurrently with public release, the department
23 shall transmit all reports from the court-appointed settlement
24 monitor, including, but not limited to, the needs assessment and
25 period outcome reporting, to the state budget office, the senate
26 and house appropriations subcommittees on the department budget,
27 and the senate and house fiscal agencies and policy offices,

1 without revision.

2 (2) The department shall report quarterly to the state budget
3 office, the senate and house appropriations subcommittees on the
4 department budget, the senate and house fiscal agencies, and the
5 senate and house policy offices on the number of children enrolled
6 in the guardianship assistance and foster care - children with
7 serious emotional disturbance waiver programs.

8 Sec. 589. (1) From funds appropriated in part 1 for child care
9 fund, the department shall pay 100% of the administrative rate for
10 all new cases referred to providers of foster care services.
11 Reimbursements shall be collected from counties with a population
12 greater than 1,700,000 according to the most recent decennial
13 census unless reporting requirements under section 505 of article X
14 of 2016 PA 268 have been satisfied.

15 (2) On a monthly basis, the department shall report on the
16 number of all foster care cases administered by the department and
17 all foster care cases administered by private providers.

18 Sec. 590. From funds appropriated in part 1 for youth in
19 transition, \$280,000.00 shall be awarded to a charter high school
20 for students ages 16 to 22 who have previously dropped out or are
21 at-risk of not graduating on time operating in a county with a
22 population of greater than 172,000 people but less than 175,000
23 people according to the most recent federal decennial census.

24 Sec. 593. The department may allow residential service
25 providers for child abuse and child neglect cases to implement a
26 staff ratio during working hours of 1 staff to 5 children.

1 **PUBLIC ASSISTANCE**

2 Sec. 601. Whenever a client agrees to the release of his or
3 her name and address to the local housing authority, the department
4 shall request from the local housing authority information
5 regarding whether the housing unit for which vendoring has been
6 requested meets applicable local housing codes. Vendoring shall be
7 terminated for those units that the local authority indicates in
8 writing do not meet local housing codes until such time as the
9 local authority indicates in writing that local housing codes have
10 been met.

11 Sec. 602. The department shall establish a policy to conduct a
12 full evaluation of an individual's assistance needs if the
13 individual has applied for disability more than 1 time within a 1-
14 year period.

15 Sec. 603. By March 1 of the current fiscal year, the
16 department shall provide to the senate and house appropriations
17 subcommittees on the department budget, the senate and house fiscal
18 agencies, the senate and house policy offices, and the state budget
19 office a report on the continued work effort on the action plan
20 developed by the Medicaid claim workgroup established in section
21 603 of article X of 2014 PA 252, including the steps taken to
22 implement the action plan developed by the workgroup, and the
23 department's ongoing efforts to maximize Medicaid claims for foster
24 children and adjudicated youths and any developments to the
25 Medicaid program that could affect foster children and adjudicated
26 youths.

27 Sec. 604. (1) The department shall operate a state disability

1 assistance program. Except as provided in subsection (3), persons
2 eligible for this program shall include needy citizens of the
3 United States or aliens exempted from the supplemental security
4 income citizenship requirement who are at least 18 years of age or
5 emancipated minors meeting 1 or more of the following requirements:

6 (a) A recipient of supplemental security income, social
7 security, or medical assistance due to disability or 65 years of
8 age or older.

9 (b) A person with a physical or mental impairment that meets
10 federal supplemental security income disability standards, except
11 that the minimum duration of the disability shall be 90 days.
12 Substance use disorder alone is not defined as a basis for
13 eligibility.

14 (c) A resident of an adult foster care facility, a home for
15 the aged, a county infirmary, or a substance use disorder treatment
16 center.

17 (d) A person receiving 30-day postresidential substance use
18 disorder treatment.

19 (e) A person diagnosed as having acquired immunodeficiency
20 syndrome.

21 (f) A person receiving special education services through the
22 local intermediate school district.

23 (g) A caretaker of a disabled person who meets the
24 requirements specified in subdivision (a), (b), (e), or (f).

25 (2) Applicants for and recipients of the state disability
26 assistance program shall be considered needy if they:

27 (a) Meet the same asset test as is applied for the family

1 independence program.

2 (b) Have a monthly budgetable income that is less than the
3 payment standards.

4 (3) Except for a person described in subsection (1)(c) or (d),
5 a person is not disabled for purposes of this section if his or her
6 drug addiction or alcoholism is a contributing factor material to
7 the determination of disability. "Material to the determination of
8 disability" means that, if the person stopped using drugs or
9 alcohol, his or her remaining physical or mental limitations would
10 not be disabling. If his or her remaining physical or mental
11 limitations would be disabling, then the drug addiction or
12 alcoholism is not material to the determination of disability and
13 the person may receive state disability assistance. Such a person
14 must actively participate in a substance abuse treatment program,
15 and the assistance must be paid to a third party or through vendor
16 payments. For purposes of this section, substance abuse treatment
17 includes receipt of inpatient or outpatient services or
18 participation in alcoholics anonymous or a similar program.

19 Sec. 605. The level of reimbursement provided to state
20 disability assistance recipients in licensed adult foster care
21 facilities shall be the same as the prevailing supplemental
22 security income rate under the personal care category.

23 Sec. 606. County department offices shall require each
24 recipient of family independence program and state disability
25 assistance who has applied with the Social Security Administration
26 for supplemental security income to sign a contract to repay any
27 assistance rendered through the family independence program or

1 state disability assistance program upon receipt of retroactive
2 supplemental security income benefits.

3 Sec. 607. (1) The department's ability to satisfy
4 appropriation deductions in part 1 for state disability
5 assistance/supplemental security income recoveries and public
6 assistance recoupment revenues shall not be limited to recoveries
7 and accruals pertaining to state disability assistance, or family
8 independence assistance grant payments provided only in the current
9 fiscal year, but may include revenues collected during the current
10 year that are prior year related and not a part of the department's
11 accrued entries.

12 (2) The department may use supplemental security income
13 recoveries to satisfy the deduct in any line in which the revenues
14 are appropriated, regardless of the source from which the revenue
15 is recovered.

16 Sec. 608. Adult foster care facilities providing domiciliary
17 care or personal care to residents receiving supplemental security
18 income or homes for the aged serving residents receiving
19 supplemental security income shall not require those residents to
20 reimburse the home or facility for care at rates in excess of those
21 legislatively authorized. To the extent permitted by federal law,
22 adult foster care facilities and homes for the aged serving
23 residents receiving supplemental security income shall not be
24 prohibited from accepting third-party payments in addition to
25 supplemental security income if the payments are not for food,
26 clothing, shelter, or result in a reduction in the recipient's
27 supplemental security income payment.

1 Sec. 609. The state supplementation level under the
2 supplemental security income program for the personal care/adult
3 foster care and home for the aged categories shall not be reduced
4 during the current fiscal year. The legislature shall be notified
5 not less than 30 days before any proposed reduction in the state
6 supplementation level.

7 Sec. 610. (1) In developing good cause criteria for the state
8 emergency relief program, the department shall grant exemptions if
9 the emergency resulted from unexpected expenses related to
10 maintaining or securing employment.

11 (2) For purposes of determining housing affordability
12 eligibility for state emergency relief, a group is considered to
13 have sufficient income to meet ongoing housing expenses if their
14 total housing obligation does not exceed 75% of their total net
15 income.

16 (3) State emergency relief payments shall not be made to
17 individuals who have been found guilty of fraud in regard to
18 obtaining public assistance.

19 (4) State emergency relief payments shall not be made
20 available to persons who are out-of-state residents or illegal
21 immigrants.

22 (5) State emergency relief payments for rent assistance shall
23 be distributed directly to landlords and shall not be added to
24 Michigan bridge cards.

25 Sec. 611. The state supplementation level under the
26 supplemental security income program for the living independently
27 or living in the household of another categories shall not exceed

1 the minimum state supplementation level as required under federal
2 law or regulations.

3 Sec. 613. (1) The department shall provide reimbursements for
4 the final disposition of indigent persons. The reimbursements shall
5 include the following:

6 (a) The maximum allowable reimbursement for the final
7 disposition is \$800.00.

8 (b) The adult burial with services allowance is \$725.00.

9 (c) The adult burial without services allowance is \$490.00.

10 (d) The infant burial allowance is \$170.00.

11 (2) Reimbursement for a cremation permit fee of up to \$75.00
12 and for mileage at the standard rate will also be made available
13 for an eligible cremation. The reimbursements under this section
14 shall take into consideration religious preferences that prohibit
15 cremation.

16 Sec. 614. The department shall report to the senate and house
17 of representatives appropriations subcommittees on the department
18 budget, the senate and house fiscal agencies, and the senate and
19 house policy offices by January 15 of the current fiscal year on
20 the number and percentage of state disability assistance recipients
21 who were determined to be eligible for federal supplemental
22 security income benefits in the previous fiscal year.

23 Sec. 615. Except as required by federal law or regulations,
24 funds appropriated in part 1 shall not be used to provide public
25 assistance to a person who is an illegal alien. This section shall
26 not prohibit the department from entering into contracts with food
27 banks, emergency shelter providers, or other human services

1 agencies who may, as a normal part of doing business, provide food
2 or emergency shelter.

3 Sec. 616. The department shall require retailers that
4 participate in the electronic benefits transfer program to charge
5 no more than \$2.50 in fees for cash back as a condition of
6 participation.

7 Sec. 617. The department shall prepare a report on the number
8 and percentage of public assistance recipients, categorized by type
9 of assistance received, who were no longer eligible for assistance
10 because of their status in the law enforcement information network
11 and provide the report by January 15 of the current fiscal year to
12 the senate and house appropriations subcommittees on the department
13 budget, the senate and house standing committees on families and
14 human services, and the senate and house fiscal agencies and policy
15 offices.

16 Sec. 619. (1) Subject to subsection (2), the department shall
17 exempt from the denial of title IV-A assistance and food assistance
18 benefits under 21 USC 862a any individual who has been convicted of
19 a felony that included the possession, use, or distribution of a
20 controlled substance, after August 22, 1996, if the individual is
21 not in violation of his or her probation or parole requirements.
22 Benefits shall be provided to such individuals as follows:

23 (a) A third-party payee or vendor shall be required for any
24 cash benefits provided.

25 (b) An authorized representative shall be required for food
26 assistance receipt.

27 (2) Subject to federal approval, an individual is not entitled

1 to the exemption in this section if the individual was convicted in
2 2 or more separate cases of a felony that included the possession,
3 use, or distribution of a controlled substance after August 22,
4 1996.

5 (3) By March 1 of the current fiscal year, the department
6 shall report to the senate and house appropriations subcommittees
7 on the department budget, the senate and house fiscal agencies, the
8 senate and house policy offices, and the state budget office the
9 status of the implementation of section 10b(5) of the social
10 welfare act, 1939 PA 280, MCL 400.10b.

11 Sec. 620. (1) The department shall make a determination of
12 Medicaid eligibility not later than 90 days if disability is an
13 eligibility factor. For all other Medicaid applicants, including
14 patients of a nursing home, the department shall make a
15 determination of Medicaid eligibility within 45 days of
16 application.

17 (2) The department shall report on a quarterly basis to the
18 senate and house appropriations subcommittees on the department
19 budget, the senate and house standing committees on families and
20 human services, the senate and house fiscal agencies, the senate
21 and house policy offices, and the state budget office on the
22 average Medicaid eligibility standard of promptness for each of the
23 required standards of promptness under subsection (1) and for
24 medical review team reviews achieved statewide and at each local
25 office.

26 Sec. 630. From funds appropriated in part 1 for family
27 independence program, the department shall conduct a suspicion-

1 based drug testing pilot program for the family independence
2 program according to sections 57y and 57z of the social welfare
3 act, 1939 PA 280, MCL 400.57y and 400.57z.

4 Sec. 643. As a condition of receipt of federal TANF funds,
5 homeless shelters and human services agencies shall collaborate
6 with the department to obtain necessary TANF eligibility
7 information on families as soon as possible after admitting a
8 family to the homeless shelter. From funds appropriated in part 1
9 for homeless programs, the department is authorized to make
10 allocations of TANF funds only to the agencies that report
11 necessary data to the department for the purpose of meeting TANF
12 eligibility reporting requirements. Homeless shelters or human
13 services agencies that do not report necessary data to the
14 department for the purpose of meeting TANF eligibility reporting
15 requirements will not receive reimbursements that exceed the per
16 diem amount they received in fiscal year 2000. The use of TANF
17 funds under this section should not be considered an ongoing
18 commitment of funding.

19 Sec. 645. An individual or family is considered homeless, for
20 purposes of eligibility for state emergency relief, if living
21 temporarily with others in order to escape domestic violence. For
22 purposes of this section, domestic violence is defined and verified
23 in the same manner as in the department's policies on good cause
24 for not cooperating with child support and paternity requirements.

25 Sec. 653. From funds appropriated in part 1 for food
26 assistance, an individual who is the victim of domestic violence
27 and does not qualify for any other exemption may be exempt from the

1 3-month in 36-month limit on receiving food assistance under 7 USC
2 2015. This exemption can be extended an additional 3 months upon
3 demonstration of continuing need.

4 Sec. 654. The department shall notify recipients of food
5 assistance program benefits that their benefits can be spent with
6 their bridge cards at many farmers' markets in the state. The
7 department shall also notify recipients about the Double Up Food
8 Bucks program that is administered by the Fair Food Network.
9 Recipients shall receive information about the Double Up Food Bucks
10 program, including information that when the recipient spends
11 \$20.00 at participating farmers' markets through the program, the
12 recipient can receive an additional \$20.00 to buy Michigan produce.

13 Sec. 655. Within 14 days after the spending plan for low-
14 income home energy assistance program is approved by the state
15 budget office, the department shall provide the spending plan,
16 including itemized projected expenditures, to the chairpersons of
17 the senate and house appropriations subcommittees on the department
18 budget, the senate and house fiscal agencies, the senate and house
19 policy offices, and the state budget office.

20 Sec. 660. From funds appropriated in part 1 for Food Bank
21 Council of Michigan, the department is authorized to make
22 allocations of TANF funds only to the agencies that report
23 necessary data to the department for the purpose of meeting TANF
24 eligibility reporting requirements. The agencies that do not report
25 necessary data to the department for the purpose of meeting TANF
26 eligibility reporting requirements will not receive allocations in
27 excess of those received in fiscal year 2000. The use of TANF funds

1 under this section should not be considered an ongoing commitment
2 of funding.

3 Sec. 669. The department shall allocate \$6,270,000.00 for the
4 annual clothing allowance. The allowance shall be granted to all
5 eligible children in a family independence program group.

6 Sec. 672. (1) The department's office of inspector general
7 shall report to the senate and house of representatives
8 appropriations subcommittees on the department budget, the senate
9 and house fiscal agencies, and the senate and house policy offices
10 by February 15 of the current fiscal year on department efforts to
11 reduce inappropriate use of Michigan bridge cards. The department
12 shall provide information on the number of recipients of services
13 who used their electronic benefit transfer card inappropriately and
14 the current status of each case, the number of recipients whose
15 benefits were revoked, whether permanently or temporarily, as a
16 result of inappropriate use, and the number of retailers that were
17 fined or removed from the electronic benefit transfer program for
18 permitting inappropriate use of the cards. The report shall
19 distinguish between savings and cost avoidance. Savings include
20 receivables established from instances of fraud committed. Cost
21 avoidance includes expenditures avoided due to front-end
22 eligibility investigations and other preemptive actions undertaken
23 in the prevention of fraud.

24 (2) It shall be the policy of the department that the
25 department shall require an explanation from a recipient if a
26 bridge card is replaced more than 2 times over any 3-month period.

27 (3) As used in this section, "inappropriate use" means not

1 used to meet a family's ongoing basic needs, including food,
2 clothing, shelter, utilities, household goods, personal care items,
3 and general incidentals.

4 Sec. 677. (1) The department shall establish a state goal for
5 the percentage of family independence program cases involved in
6 employment activities. The percentage established shall not be less
7 than 50%. The goal for long-term employment shall be 15% of cases
8 for 6 months or more.

9 (2) On a quarterly basis, the department shall report to the
10 senate and house appropriations subcommittees on the department
11 budget, the senate and house fiscal agencies and policy offices,
12 and the state budget director on the number of cases referred to
13 Partnership. Accountability. Training. Hope. (PATH), the current
14 percentage of family independence program cases involved in PATH
15 employment activities, an estimate of the current percentage of
16 family independence program cases that meet federal work
17 participation requirements on the whole, and an estimate of the
18 current percentage of the family independence program cases that
19 meet federal work participation requirements for those cases
20 referred to PATH.

21 (3) The department shall submit to the senate and house
22 appropriations subcommittees on the department budget, the senate
23 and house fiscal agencies, the senate and house policy offices, and
24 the state budget office a quarterly report that includes all of the
25 following:

26 (a) The number and percentage of nonexempt family independence
27 program recipients who are employed.

1 (b) The average and range of wages of employed family
2 independence program recipients.

3 (c) The number and percentage of employed family independence
4 program recipients who remain employed for 6 months or more.

5 Sec. 686. (1) The department shall ensure that program policy
6 requires caseworkers to confirm that individuals presenting
7 personal identification issued by another state seeking assistance
8 through the family independence program, food assistance program,
9 state disability assistance program, or medical assistance program
10 are not receiving benefits from any other state.

11 (2) The department shall require caseworkers to confirm the
12 address provided by any individual seeking family independence
13 program benefits or state disability assistance benefits.

14 (3) The department shall prohibit individuals with property
15 assets assessed at a value higher than \$200,000.00 from accessing
16 assistance through department-administered programs, unless such a
17 prohibition would violate federal rules and guidelines.

18 (4) The department shall require caseworkers to obtain an up-
19 to-date telephone number during the eligibility determination or
20 redetermination process for individuals seeking medical assistance
21 benefits.

22 Sec. 687. (1) The department shall, on a quarterly basis by
23 February 1, May 1, August 1, and November 1, compile and make
24 available on its website all of the following information about the
25 family independence program, state disability assistance, the food
26 assistance program, Medicaid, and state emergency relief:

27 (a) The number of applications received.

1 (b) The number of applications approved.

2 (c) The number of applications denied.

3 (d) The number of applications pending and neither approved
4 nor denied.

5 (e) The number of cases opened.

6 (f) The number of cases closed.

7 (g) The number of cases at the beginning of the quarter and
8 the number of cases at the end of the quarter.

9 (2) The information provided under subsection (1) shall be
10 compiled and made available for the state as a whole and for each
11 county and reported separately for each program listed in
12 subsection (1).

13 (3) The department shall, on a quarterly basis by February 1,
14 May 1, August 1, and November 1, compile and make available on its
15 website the family independence program information listed as
16 follows:

17 (a) The number of new applicants who successfully met the
18 requirements of the 21-day assessment period for PATH.

19 (b) The number of new applicants who did not meet the
20 requirements of the 21-day assessment period for PATH.

21 (c) The number of cases sanctioned because of the school
22 truancy policy.

23 (d) The number of cases closed because of the 48-month and 60-
24 month lifetime limits.

25 (e) The number of first-, second-, and third-time sanctions.

26 (f) The number of children ages 0-5 living in FIP-sanctioned
27 households.

1 (4) The department shall notify the state budget office, the
2 senate and house appropriations subcommittees on the department
3 budget, the senate and house fiscal agencies, and the senate and
4 house policy offices when the reports required in this section are
5 made available on the department's website.

6 **CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE SERVICES**

7 Sec. 701. Unless required from changes to federal or state law
8 or at the request of a provider, the department shall not alter the
9 terms of any signed contract with a private residential facility
10 serving children under state or court supervision without written
11 consent from a representative of the private residential facility.

12 Sec. 706. Counties shall be subject to 50% chargeback for the
13 use of alternative regional detention services, if those detention
14 services do not fall under the basic provision of section 117e of
15 the social welfare act, 1939 PA 280, MCL 400.117e, or if a county
16 operates those detention services programs primarily with
17 professional rather than volunteer staff.

18 Sec. 707. In order to be reimbursed for child care fund
19 expenditures, counties are required to submit department-developed
20 reports to enable the department to document potential federally
21 claimable expenditures. This requirement is in accordance with the
22 reporting requirements specified in section 117a(7) of the social
23 welfare act, 1939 PA 280, MCL 400.117a.

24 Sec. 708. (1) As a condition of receiving funds appropriated
25 in part 1 for the child care fund line item, by December 15 of the
26 current fiscal year, counties shall have an approved service

1 spending plan for the current fiscal year. Counties must submit the
2 service spending plan to the department by October 1 of the current
3 fiscal year for approval. Upon submission of the county service
4 spending plan, the department shall approve within 30 calendar days
5 after receipt of a properly completed service plan that complies
6 with the requirements of the social welfare act, 1939 PA 280, MCL
7 400.1 to 400.119b. The department shall notify and submit county
8 service spending plan revisions to any county whose county service
9 spending plan is not accepted upon initial submission. The
10 department shall not request any additional revisions to a county
11 service spending plan outside of the requested revision
12 notification submitted to the county by the department. The
13 department shall notify a county within 30 days after approval that
14 its service plan was approved.

15 (2) The department shall submit a report to the senate and
16 house appropriations subcommittees on the department budget, the
17 senate and house fiscal agencies, the senate and house policy
18 offices, and the state budget office by February 15 of the current
19 fiscal year on the number of counties that fail to submit a service
20 spending plan by October 1 and the number of service spending plans
21 not approved by December 15. The report shall include the number of
22 county service spending plans that were not approved as first
23 submitted by the counties, as well as the number of plans that were
24 not approved by the department after being resubmitted by the
25 county with the first revisions that were requested by the
26 department. Additionally, the report shall include the number of
27 days of care and expenditures by funding source for out-of-home

1 placements by specific placement programs, including, but not
2 limited to, paid relative placement, department direct family
3 foster care, private agency supervised foster care, private child
4 caring institutions, county-supervised facilities, court-supervised
5 facilities, and independent living. The report shall identify out-
6 of-home placement days of care as to whether the placement is child
7 abuse or child neglect or delinquent in nature. The report shall
8 also identify days of care for department-operated residential
9 juvenile justice facilities by security classification.

10 Sec. 709. (1) The department's master contract for juvenile
11 justice residential foster care services shall be amended to
12 prohibit contractors from denying a referral for placement of a
13 youth, or terminating a youth's placement, if the youth's assessed
14 treatment needs are in alignment with the facility's residential
15 program type, as identified by the court or the department. In
16 addition, the master contract shall require that youth placed in
17 juvenile justice residential foster care facilities must have
18 regularly scheduled treatment sessions with a licensed psychologist
19 or psychiatrist, or both, and access to the licensed psychologist
20 or psychiatrist as needed.

21 (2) The rates established for private residential juvenile
22 justice facilities that were in effect on October 1, 2015 remain in
23 effect for the current fiscal year.

24 Sec. 721. If the demand for placements at state-operated
25 juvenile justice residential facilities exceeds capacity, the
26 department shall not increase the available occupancy or services
27 at the facilities, and shall post a request for proposals for a

1 contract with not less than 1 private provider of residential
2 services for juvenile justice youth to be a residential facility of
3 last resort.

4 **FIELD OPERATIONS AND SUPPORT SERVICES**

5 Sec. 801. (1) Funds appropriated in part 1 for independent
6 living shall be used to support the general operations of centers
7 for independent living in delivering mandated independent living
8 services in compliance with federal rules and regulations for the
9 centers, by existing centers for independent living to serve
10 underserved areas, and for projects to build the capacity of
11 centers for independent living to deliver independent living
12 services. Applications for the funds shall be reviewed in
13 accordance with criteria and procedures established by the
14 department. The funds appropriated in part 1 may be used to
15 leverage federal vocational rehabilitation innovation and expansion
16 funds consistent with 34 CFR 361.35 up to \$5,543,000.00, if
17 available. If the possibility of matching federal funds exists, the
18 centers for independent living network will negotiate a mutually
19 beneficial contractual arrangement with Michigan rehabilitation
20 services. Funds shall be used in a manner consistent with the state
21 plan for independent living. Services provided should assist people
22 with disabilities to move toward self-sufficiency, including
23 support for accessing transportation and health care, obtaining
24 employment, community living, nursing home transition, information
25 and referral services, education, youth transition services,
26 veterans, and stigma reduction activities and community education.

1 This includes the independent living guide project that
2 specifically focuses on economic self-sufficiency.

3 (2) The Michigan centers for independent living shall provide
4 a report by March 1 of the current fiscal year to the senate and
5 house appropriations subcommittees on the department budget, the
6 senate and house fiscal agencies, the senate and house policy
7 offices, and the state budget office on direct customer and system
8 outcomes and performance measures.

9 Sec. 802. The Michigan rehabilitation services shall work
10 collaboratively with the bureau of services for blind persons,
11 service organizations, and government entities to identify
12 qualified match dollars to maximize use of available federal
13 vocational rehabilitation funds.

14 Sec. 803. The department shall provide an annual report by
15 February 1 to the senate and house appropriations subcommittees on
16 the department budget, the senate and house fiscal agencies, the
17 senate and house policy offices, and the state budget office on
18 efforts taken to improve the Michigan rehabilitation services. The
19 report shall include all of the following items:

20 (a) Reductions and changes in administration costs and
21 staffing.

22 (b) Service delivery plans and implementation steps achieved.

23 (c) Reorganization plans and implementation steps achieved.

24 (d) Plans to integrate Michigan rehabilitative services
25 programs into other services provided by the department.

26 (e) Quarterly expenditures by major spending category.

27 (f) Employment and job retention rates from both Michigan

1 rehabilitation services and its nonprofit partners.

2 (g) Success rate of each district in achieving the program
3 goals.

4 Sec. 804. (1) From funds appropriated in part 1 for Michigan
5 rehabilitation services, the department shall allocate \$50,000.00
6 along with available federal match to support the provision of
7 vocational rehabilitation services to eligible agricultural workers
8 with disabilities. Authorized services shall assist agricultural
9 workers with disabilities in acquiring or maintaining quality
10 employment and independence.

11 (2) By March 1 of the current fiscal year, the department
12 shall report to the senate and house appropriations subcommittees
13 on the department budget, the senate and house fiscal agencies, the
14 senate and house policy offices, and the state budget office on the
15 total number of clients served and the total amount of federal
16 matching funds obtained throughout the duration of the program.

17 Sec. 805. It is the intent of the legislature that Michigan
18 rehabilitation services shall not implement an order of selection
19 for vocational and rehabilitative services. If the department is at
20 risk of entering into an order of selection for services, the
21 department shall notify the chairs of the senate and house
22 subcommittees on the department budget and the senate and house
23 fiscal agencies and policy offices within 2 weeks of receiving
24 notification.

25 Sec. 806. From funds appropriated in part 1 for Michigan
26 rehabilitation services, the department shall allocate funds,
27 including federal matching funds, to service authorizations with

1 community-based rehabilitation organizations for job development
2 and other community employment-related support services.

3 Sec. 807. From funds appropriated in part 1 for Elder Law of
4 Michigan MiCAFE contract, the department shall allocate not less
5 than \$350,000.00 to the Elder Law of Michigan MiCAFE to assist this
6 state's elderly population in participating in the food assistance
7 program. Of the \$350,000.00 allocated under this section, the
8 department shall use \$175,000.00, which are general fund/general
9 purpose funds, as state matching funds for not less than
10 \$175,000.00 in United States Department of Agriculture funding to
11 provide outreach program activities, such as eligibility screening
12 and information services, as part of a statewide food assistance
13 hotline.

14 Sec. 808. (1) Notwithstanding any other implementing agencies
15 receiving Nutrition Education and Obesity Prevention grants in the
16 previous fiscal year, the department shall name and submit the Food
17 Bank Council of Michigan as an implementing agency in the state's
18 Supplemental Nutrition Assistance Program education state plan.
19 Through the Food Bank Council of Michigan's MI Healthy Pantry
20 Initiative that delivers nutrition education to low-income
21 individuals, the Food Bank Council of Michigan is categorically
22 eligible as an implementing agency as an Other Independent Provider
23 with Local Projects.

24 (2) From funds appropriated in part 1 for nutrition education,
25 not less than \$16,000,000.00 shall be appropriated to the Michigan
26 Physical Fitness Health and Sports Foundation, not less than
27 \$10,000,000.00 shall be appropriated to the Food Bank Council of

1 Michigan, and not less than \$8,000,000.00 shall be appropriated to
2 Michigan State University Extension.

3 Sec. 809. (1) From funds appropriated in part 1 for public
4 assistance field staff, the department may expand its pathways to
5 potential program. The purpose of this enhancement is to reduce
6 chronic absenteeism, decrease the number of students who repeat
7 grades, decrease the rate of dropouts, and increase graduation
8 rates at schools that participate in the pathways to potential
9 program. The investment shall focus on expanding the pathways to
10 potential model into priority schools that rank among the lowest
11 achieving 5% percent of all Michigan public schools and in schools
12 located in at-risk "rising tide" communities targeted for
13 programming to maximize economic development and economic
14 expansion.

15 (2) From funds appropriated in part 1 for public assistance
16 field staff, the department shall allocate \$75,000.00 by December 1
17 of the current fiscal year to support the Northeast Michigan
18 Community Service Agency programming, which will take place in each
19 county in the Governor's Prosperity Region 3.

20 Sec. 825. From funds appropriated in part 1, the department
21 shall provide individuals not more than \$500.00 for vehicle
22 repairs, including any repairs done in the previous 12 months.
23 However, the department may in its discretion pay for repairs up to
24 \$900.00. Payments under this section shall include the combined
25 total of payments made by the department and work participation
26 program.

27 Sec. 850. (1) The department shall maintain out-stationed

1 eligibility specialists in community-based organizations, community
2 mental health agencies, nursing homes, adult placement and
3 independent living settings, federally qualified health centers,
4 and hospitals unless a community-based organization, community
5 mental health agency, nursing home, adult placement and independent
6 living setting, federally qualified health centers, or hospital
7 requests that the program be discontinued at its facility.

8 (2) From funds appropriated in part 1 for donated funds
9 positions, the department shall enter into a contract with any
10 agency that requests a donated funds position and is able and
11 eligible under federal law to provide the required matching funds
12 for federal funding, as determined by federal statute and
13 regulations. If the department denies a request for donated funds
14 positions, the department shall provide to the agency that made the
15 request the federal statute or regulation that supports the denial.
16 If there is no federal statute or regulation that supports the
17 denial, the department shall grant the request for the donated
18 funds position.

19 (3) A contract for a donated funds position must include, but
20 not be limited to, the following performance metrics:

21 (a) Meeting a standard of promptness for processing
22 applications for Medicaid and other public assistance programs
23 under state law.

24 (b) Meeting required standards for error rates in determining
25 programmatic eligibility as determined by the department.

26 (4) The department shall only fill additional donated funds
27 positions after a new contract has been signed. That position shall

1 also be abolished when the contract expires or is terminated.

2 (5) The department shall classify as limited-term FTEs any new
3 employees who are hired to fulfill the donated funds position
4 contracts or are hired to fill any vacancies from employees who
5 transferred to a donated funds position.

6 (6) By March 1 of the current fiscal year, the department
7 shall submit a report to the senate and house appropriations
8 subcommittees on the department budget, the senate and house fiscal
9 agencies and policy offices, and the state budget office detailing
10 information on the donated funds positions, including the total
11 number of occupied positions, the total private contribution of the
12 positions, and the total cost to the state for any nonsalary
13 expenditure for the donated funds position employees.

14 Sec. 851. From funds appropriated in part 1 for adult services
15 field staff, \$4,054,400.00 is appropriated for the department to
16 improve staffing ratios in adult protective services programs with
17 the goal of reducing the number of older adults who are victims of
18 crime and fraud. The purpose of a staffing enhancement is to
19 increase the standard of promptness for department responses by 90%
20 or above in every county as measured by commencing an investigation
21 within 24 hours, to establish face-to-face contact with the client
22 within 72 hours, and to complete an investigation within 30 days.
23 The funding for decreased staffing ratios shall not be released
24 until April 1 of the current fiscal year.

25 **BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS**

26 Sec. 875. From funds appropriated in part 1 for behavioral

Senate Bill No. 135 as amended May 3, 2017

1 health program administration, the department shall allocate
2 \$100,000.00 to a nonprofit corporation organized under the laws of
3 this state that is exempt from federal income tax under section
4 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and
5 that operates a food pantry located in a township with a population
6 between 71,700 and 71,800 according to the most recent decennial
7 census.

8 Sec. 876. From funds appropriated in part 1 for behavioral
9 health program administration, the department shall allocate
10 <<\$600,000.00>> to Special Olympics Michigan to operate its Healthy
11 Athletes initiative. This initiative must create community networks
12 to support physical activity and healthy food choices for athletes
13 and their families across the state.

14 **BEHAVIORAL HEALTH SERVICES**

15 Sec. 901. Funds appropriated in part 1 are intended to support
16 a system of comprehensive community mental health services under
17 the full authority and responsibility of local CMHSPs or PIHPs in
18 accordance with the mental health code, 1974 PA 258, MCL 330.1001
19 to 330.2106, the Medicaid provider manual, federal Medicaid
20 waivers, and all other applicable federal and state laws.

21 Sec. 902. (1) From funds appropriated in part 1, final
22 authorizations to CMHSPs or PIHPs shall be made upon the execution
23 of contracts between the department and CMHSPs or PIHPs. The
24 contracts shall contain an approved plan and budget as well as
25 policies and procedures governing the obligations and
26 responsibilities of both parties to the contracts. Each contract

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

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

12 (a) Any new contracts the department has entered into with
13 CMHSPs or PIHPs that would affect rates or expenditures.

14 (b) Any amendments to contracts the department has entered
15 into with CMHSPs or PIHPs that would affect rates or expenditures.

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

19 Sec. 904. (1) By May 31 of the current fiscal year, the
20 department shall provide a report on the CMHSPs, PIHPs, regional
21 entities designated by the department as PIHPs, and managing
22 entities for substance use disorders to the members of the senate
23 and house appropriations subcommittees on the department budget,
24 the senate and house fiscal agencies, and the state budget director
25 that includes the information required by this section.

26 (2) The report shall contain information for each CMHSP, PIHP,
27 regional entity designated by the department as a PIHP, and

1 managing entity for substance use disorders and a statewide
2 summary, each of which shall include at least the following
3 information:

4 (a) A demographic description of service recipients that,
5 minimally, shall include reimbursement eligibility, client
6 population, age, ethnicity, housing arrangements, and diagnosis.

7 (b) Per capita expenditures in total and by client population
8 group and cultural and ethnic groups of the services area,
9 including the deaf and hard of hearing population.

10 (c) Financial information that, minimally, includes a
11 description of funding authorized; expenditures by diagnosis group,
12 service category, and reimbursement eligibility; and cost
13 information by Medicaid, Healthy Michigan plan, state appropriated
14 non-Medicaid mental health services, local funding, and other fund
15 sources, including administration and funds specified for all
16 outside contracts for services and products. Financial information
17 must include the amount of funding, from each fund source, used to
18 cover clinical services and supports. Service category includes all
19 department-approved services.

20 (d) Data describing service outcomes that include, but are not
21 limited to, an evaluation of consumer satisfaction, consumer
22 choice, and quality of life concerns including, but not limited to,
23 housing and employment.

24 (e) Information about access to CMHSPs that includes, but is
25 not limited to, the following:

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

27 (ii) The number of people who requested services but did not

1 receive services.

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

4 (g) Lapses and carryforwards during the immediately preceding
5 fiscal year for CMHSPs, PIHPs, regional entities designated by the
6 department as PIHPs, and managing entities for substance use
7 disorders.

8 (h) Performance indicator information required to be submitted
9 to the department in the contracts with CMHSPs, PIHPs, regional
10 entities designated by the department as PIHPs, and managing
11 entities for substance use disorders.

12 (i) Administrative expenditures of each CMHSP, PIHP, regional
13 entity designated by the department as a PIHP, and managing entity
14 for substance use disorders that includes a breakout of the salary,
15 benefits, and pension of each executive level staff and shall
16 include the director, chief executive, and chief operating officers
17 and other members identified as executive staff.

18 (3) The department shall include data reporting requirements
19 listed in subsection (2) in the annual contract with each
20 individual CMHSP, PIHP, regional entity designated by the
21 department as a PIHP, and managing entity for substance use
22 disorders.

23 (4) The department shall take all reasonable actions to ensure
24 that the data required are complete and consistent among all
25 CMHSPs, PIHPs, regional entities designated by the department as
26 PIHPs, and managing entities for substance use disorders.

27 Sec. 905. (1) From funds appropriated in part 1 for behavioral

1 health program administration, the department shall maintain a
2 transitional unit and children's behavioral action team. These
3 services will augment the continuum of behavioral health services
4 for high-need youth and provide additional continuity of care and
5 transition into supportive community-based services.

6 (2) Outcomes and performance measures for this initiative
7 include, but are not limited to, the following:

8 (a) The rate of rehospitalization for youth served through the
9 program at 30 and 180 days.

10 (b) Measured change in the Child and Adolescent Functional
11 Assessment Scale for children served through the program.

12 Sec. 906. (1) Funds appropriated in part 1 for the state
13 disability assistance substance use disorder services program shall
14 be used to support per diem room and board payments in substance
15 use disorder residential facilities. Eligibility of clients for the
16 state disability assistance substance use disorder services program
17 shall include needy persons 18 years of age or older, or
18 emancipated minors, who reside in a substance use disorder
19 treatment center.

20 (2) The department shall reimburse all licensed substance use
21 disorder programs eligible to participate in the program at a rate
22 equivalent to that paid by the department to adult foster care
23 providers. Programs accredited by department-approved accrediting
24 organizations shall be reimbursed at the personal care rate, while
25 all other eligible programs shall be reimbursed at the domiciliary
26 care rate.

27 Sec. 907. (1) The amount appropriated in part 1 for substance

1 use disorder prevention, education, and treatment grants shall be
2 expended to coordinate care and services provided to individuals
3 with severe and persistent mental illness and substance use
4 disorder diagnoses.

5 (2) The department shall approve managing entity fee schedules
6 for providing substance use disorder services and charge
7 participants in accordance with their ability to pay.

8 (3) The managing entity shall continue current efforts to
9 collaborate on the delivery of services to those clients with
10 mental illness and substance use disorder diagnoses with the goal
11 of providing services in an administratively efficient manner.

12 Sec. 908. (1) By April 1 of the current fiscal year, the
13 department shall report the following data from the prior fiscal
14 year on substance use disorder prevention, education, and treatment
15 programs to the senate and house appropriations subcommittees on
16 the department budget, the senate and house fiscal agencies, and
17 the state budget office:

18 (a) Expenditures stratified by department-designated community
19 mental health entity, by central diagnosis and referral agency, by
20 fund source, by subcontractor, by population served, and by service
21 type. Additionally, data on administrative expenditures by
22 department-designated community mental health entity shall be
23 reported.

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

26 (c) Number of services provided by central diagnosis and
27 referral agency, by subcontractor, and by service type.

1 Additionally, data on length of stay, referral source, and
2 participation in other state programs.

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

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

10 Sec. 909. From funds appropriated in part 1 for community
11 substance use disorder prevention, education, and treatment, the
12 department shall use available revenue from the marihuana
13 regulatory fund established in section 604 of the medical marihuana
14 facilities licensing act, 2016 PA 281, MCL 333.27604, to improve
15 physical health; expand access to substance use disorder prevention
16 and treatment services; and strengthen the existing prevention,
17 treatment, and recovery systems.

18 Sec. 910. The department shall ensure that substance use
19 disorder treatment is provided to applicants and recipients of
20 public assistance through the department who are required to obtain
21 substance use disorder treatment as a condition of eligibility for
22 public assistance.

23 Sec. 911. (1) The department shall ensure that each contract
24 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
25 programs to encourage diversion of individuals with serious mental
26 illness, serious emotional disturbance, or developmental disability
27 from possible jail incarceration when appropriate.

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

11 Sec. 912. The department shall contract directly with the
12 Salvation Army Harbor Light program to provide non-Medicaid
13 substance use disorder services if the local coordinating agency or
14 the department confirms the Salvation Army Harbor Light program
15 meets the standard of care. The standard of care shall include, but
16 is not limited to, utilization of the medication assisted treatment
17 option.

18 Sec. 913. The department shall explore the development of a
19 genomic-based demonstration program to predict opioid response and
20 abuse and analyze cost savings to the state Medicaid population.
21 The demonstration program would be operated by Kalamazoo Community
22 Mental Health and Substance Abuse Services and would identify
23 relevant biomarkers that predict risk of opioid abuse and overdose
24 by analyzing test results from the Kalamazoo Medicaid population
25 served by the Kalamazoo Community Mental Health and Substance Abuse
26 Services. The demonstration program would utilize a custom
27 screening panel developed by a Michigan-based genomics lab that is

1 certified under 42 USC 263a. By June 1 of the current fiscal year,
2 the Kalamazoo Community Mental Health and Substance Abuse Services
3 shall report to the department, the senate and house appropriations
4 subcommittees on the department budget, and the senate and house
5 fiscal agencies on the results relating to relevant biomarkers and
6 the fiscal impact to the Medicaid population in the demonstration
7 program.

8 Sec. 918. On or before the twenty-fifth of each month, the
9 department shall report to the senate and house appropriations
10 subcommittees on the department budget, the senate and house fiscal
11 agencies, and the state budget director on the amount of funding
12 paid to PIHPs to support the Medicaid managed mental health care
13 program in the preceding month. The information shall include the
14 total paid to each PIHP, per capita rate paid for each eligibility
15 group for each PIHP, and number of cases in each eligibility group
16 for each PIHP, and year-to-date summary of eligibles and
17 expenditures for the Medicaid managed mental health care program.

18 Sec. 920. (1) As part of the Medicaid rate-setting process for
19 behavioral health services, the department shall work with PIHP
20 network providers and actuaries to include any state and federal
21 wage and compensation increases that directly impact staff who
22 provide Medicaid-funded community living supports, personal care
23 services, respite services, skill-building services, and other
24 similar supports and services as part of the Medicaid rate.

25 (2) It is the intent of the legislature that any increased
26 Medicaid rate related to state minimum wage increases shall also be
27 distributed to direct care employees.

1 Sec. 928. (1) Each PIHP shall provide, from internal
2 resources, local funds to be used as a part of the state match
3 required under the Medicaid program in order to increase capitation
4 rates for PIHPs. These funds shall not include either state funds
5 received by a CMHSP for services provided to non-Medicaid
6 recipients or the state matching portion of the Medicaid capitation
7 payments made to a PIHP.

8 (2) It is the intent of the legislature that any funds that
9 lapse from funds appropriated in part 1 for Medicaid mental health
10 services shall be redistributed to individual CMHSPs as a
11 reimbursement of local funds on a proportional basis to those
12 CMHSPs whose local funds were used as state Medicaid match. By
13 April 1 of the current fiscal year, the department shall report to
14 the senate and house appropriations subcommittees on the department
15 budget, the senate and house fiscal agencies, the senate and house
16 policy offices, and the state budget office on the lapse by PIHP
17 from the previous fiscal year and the projected lapse by PIHP in
18 the current fiscal year.

19 Sec. 935. A county required under the provisions of the mental
20 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
21 matching funds to a CMHSP for mental health services rendered to
22 residents in its jurisdiction shall pay the matching funds in equal
23 installments on not less than a quarterly basis throughout the
24 fiscal year, with the first payment being made by October 1 of the
25 current fiscal year.

26 Sec. 940. (1) According to section 236 of the mental health
27 code, 1974 PA 258, MCL 330.1236, the department shall do both of

1 the following:

2 (a) Review expenditures for each CMHSP to identify CMHSPs with
3 projected allocation surpluses and to identify CMHSPs with
4 projected allocation shortfalls. The department shall encourage the
5 board of a CMHSP with a projected allocation surplus to concur with
6 the department's recommendation to reallocate those funds to CMHSPs
7 with projected allocation shortfalls.

8 (b) Withdraw unspent funds that have been allocated to a CMHSP
9 if other reallocated funds were expended in a manner not provided
10 for in the approved contract, including expending funds on services
11 and programs provided to individuals residing outside of the
12 CMHSP's geographic region.

13 (2) A CMHSP that has its funding allocation transferred out or
14 withdrawn during the current fiscal year as described in subsection
15 (1) is not eligible for any additional funding reallocations during
16 the remainder of the current fiscal year unless that CMHSP is
17 responding to a public health emergency as determined by the
18 department.

19 (3) The department shall notify the chairs of the
20 appropriation subcommittees on the department budget when a request
21 is made and when the department grants approval for reallocation or
22 withdraw as described in subsection (1). By September 30 of the
23 current fiscal year, the department shall provide a report on the
24 amount of funding reallocated or withdrawn to the senate and house
25 appropriation subcommittees on the department budget, the senate
26 and house fiscal agencies, the senate and house policy offices, and
27 the state budget office.

1 Sec. 941. From funds appropriated in part 1 for community
2 mental health non-Medicaid services, no less than \$3,000,000.00
3 shall be allocated to CMHSPs to support costs related to Medicaid
4 spenddown beneficiaries having to satisfy monthly deductible
5 requirements.

6 Sec. 942. A CMHSP shall provide at least 30 days' notice
7 before reducing, terminating, or suspending services provided by a
8 CMHSP to CMHSP clients, with the exception of services authorized
9 by a physician that no longer meet established criteria for medical
10 necessity.

11 Sec. 943. The department shall study the viability of using
12 telemedicine to perform competency examinations by a forensic
13 psychiatrist. By January 1 of the current fiscal year, the
14 department shall report to the senate and house appropriations
15 subcommittees on the department budget, the senate and house fiscal
16 agencies, and the state budget office on the findings of the
17 viability study, the total transportation costs by county for the
18 previous fiscal year, and any savings, by county, from the use of
19 telemedicine.

20 Sec. 944. (1) From funds appropriated in part 1 for Medicaid
21 mental health services and Healthy Michigan plan - behavioral
22 health, money shall be utilized to establish a pool of funds
23 available to PIHPs, sufficient to provide for increasing the wages
24 and the employer's share of federal insurance contributions act
25 costs of direct care staff by \$0.50 per hour per direct care worker
26 in local residential settings and for paraprofessional and other
27 nonprofessional direct care workers in settings where skill

1 building, community living supports and training, and personal care
2 services are provided, effective April 1, 2018.

3 (2) Each PIHP shall make application to the department to
4 receive funds for the direct care worker wage pass-through fund,
5 not to exceed their proportionate share of the funds allocated for
6 this purpose. The application shall specify the amount of funds
7 requested and the agencies or programs to receive the wage pass-
8 through funds requested.

9 (3) Each PIHP awarded wage pass-through funds shall report on
10 the actual expenditures of such funds in the format to be
11 determined by the department. Any funds not utilized by the PIHP
12 for the purpose specified in the wage pass-through application
13 shall be deducted from the base allocation to the PIHP in the
14 subsequent fiscal year.

15 (4) Each PIHP awarded wage pass-through funds shall report on
16 the range of wages paid to workers impacted by the wage pass-
17 through, including information on the number of workers at each
18 wage level.

19 Sec. 958. Medicaid services shall include treatment for autism
20 spectrum disorders as defined in the federally approved Medicaid
21 state plan. These services may be coordinated with the Medicaid
22 health plans and the Michigan Association of Health Plans.

23 Sec. 994. (1) By January 1 of the current fiscal year, the
24 department shall seek federal approval for CMHSPs, PIHPs, or
25 subcontracting provider agencies that are reviewed and accredited
26 by a national accrediting entity for behavioral health care
27 services compliant with state program review and audit requirements

1 that are addressed and reviewed by that national accrediting
2 entity.

3 (2) By April 1 of the current fiscal year, the department
4 shall report to the house and senate appropriations subcommittees
5 on the department budget, the house and senate fiscal agencies, and
6 the state budget office all of the following:

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

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

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

15 (ii) The national accrediting entity that reviewed and
16 accredited the CMHSP, PIHP, or subcontracting provider agency.

17 (c) The status of the federal approval process.

18 (3) The department shall continue to comply with state and
19 federal law and shall not initiate an action that negatively
20 impacts beneficiary safety. Any cost savings attributed to this
21 action shall be reinvested back into services.

22 (4) As used in this section, "national accrediting entity"
23 means the Joint Commission, formerly known as the Joint Commission
24 on Accreditation of Healthcare Organizations, the Commission on
25 Accreditation of Rehabilitation Facilities, the Council on
26 Accreditation, the URAC, formerly known as the Utilization Review
27 Accreditation Commission, the National Committee for Quality

1 Assurance, or other appropriate entity, as approved by the
2 department.

3 Sec. 995. From funds appropriated in part 1 for behavioral
4 health program administration, \$4,350,000.00 is intended to address
5 the recommendations of the mental health diversion council.

6 Sec. 997. The population data used in determining the
7 distribution of substance use disorder block grant funds shall be
8 from the most recent federal census.

9 Sec. 998. For distribution of state general funds to CMHSPs,
10 if the department decides to use census data, the department shall
11 use the most recent federal census data available.

12 Sec. 1003. The department shall notify the Michigan
13 Association of Community Mental Health Boards when developing
14 policies and procedures that will impact PIHPs or CMHSPs.

15 Sec. 1004. The department shall provide the senate and house
16 appropriations subcommittee on the department budget, the senate
17 and house fiscal agencies, and the state budget office any rebased
18 formula changes to either Medicaid behavioral health services or
19 non-Medicaid mental health services 90 days before implementation.
20 The notification shall include a table showing the changes in
21 funding allocation by PIHP for Medicaid behavioral health services
22 or by CMHSP for non-Medicaid mental health services.

23 Sec. 1005. For the purposes of special projects involving
24 high-need children or adults, including the not guilty by reason of
25 insanity population, the department may contract directly with
26 providers of services to these identified populations.

27 Sec. 1008. The PIHP shall do all of the following:

1 (a) Work to reduce administration costs by ensuring that PIHP
2 responsible functions are efficient in allowing optimal transition
3 of dollars to those direct services considered most effective in
4 assisting individuals served. Any consolidation of administrative
5 functions must demonstrated by independent analysis, a reduction in
6 dollars spent on administration resulting in greater dollars spent
7 on direct services. Savings resulting from increased efficiencies
8 shall not be applied to PIHP net assets, ISF increases, building
9 costs, increases in the number of PIHP personnel, or other areas
10 not directly related to the delivery of improved services.

11 (b) Take an active role in managing mental health care by
12 ensuring consistent and high-quality service delivery throughout
13 its network and promote a conflict-free care management
14 environment.

15 (c) Ensure that direct service rate variances are related to
16 the level of need or other quantifiable measures to ensure that the
17 most money possible reaches direct services.

18 (d) Whenever possible, promote fair and adequate direct care
19 reimbursement, including fair wages for direct service workers.

20 Sec. 1010. From funds appropriated in part 1 for behavioral
21 health program administration, up to \$2,000,000.00 shall be
22 allocated to address the implementation of court-ordered assisted
23 outpatient treatment as provided under chapter 4 of the mental
24 health code, 1974 PA 258, MCL 330.1400 to 330.1490.

25 Sec. 1012. By March 1 of the current fiscal year, the
26 department shall submit a report to the senate and house
27 appropriations subcommittees on the department budget, the senate

1 and house fiscal agencies, the senate and house policy offices, and
2 the state budget office addressing the challenge of meeting monthly
3 deductible requirements in the Medicaid program and establish
4 policy recommendations. The report shall include, but not be
5 limited to, all of the following items:

6 (a) The average number of individuals who do not meet their
7 monthly Medicaid deductibles in this state each year.

8 (b) How the reduction in general fund investment to CMHSPs for
9 non-Medicaid services has played a role in the inability of many
10 individuals to meet their spenddown.

11 (c) What currently counts as the protected income level and
12 countable asset limit and how that compares to other states.

13 (d) An action plan for implementation of any proposed changes.

14 (e) An estimate of the costs that may be incurred from
15 adoption of recommendations included in the report.

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

17 Sec. 1051. The department shall continue a revenue recapture
18 project to generate additional revenues from third parties related
19 to cases that have been closed or are inactive. A portion of
20 revenues collected through project efforts may be used for
21 departmental costs and contractual fees associated with these
22 retroactive collections and to improve ongoing departmental
23 reimbursement management functions.

24 Sec. 1052. The purpose of gifts and bequests for patient
25 living and treatment environments is to use additional private
26 funds to provide specific enhancements for individuals residing at

1 state-operated facilities. Use of the gifts and bequests shall be
2 consistent with the stipulation of the donor. The expected
3 completion date for the use of gifts and bequests donations is
4 within 3 years unless otherwise stipulated by the donor.

5 Sec. 1055. (1) The department shall not implement any
6 permanent, planned closures or consolidations of state hospitals,
7 centers, or agencies until CMHSPs or PIHPs have programs and
8 services in place for those individuals currently in those
9 facilities and a plan for service provision for those individuals
10 who would have been admitted to those facilities.

11 (2) All closures or consolidations are dependent upon adequate
12 department-approved CMHSP and PIHP plans that include a discharge
13 and aftercare plan for each individual currently in the facility. A
14 discharge and aftercare plan shall address the individual's housing
15 needs. A homeless shelter or similar temporary shelter arrangements
16 are inadequate to meet the individual's housing needs.

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

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

27 Sec. 1056. The department may collect revenue for patient

1 reimbursement from first- and third-party payers, including
2 Medicaid and local county CMHSP payers, to cover the cost of
3 placement in state hospitals and centers. The department is
4 authorized to adjust financing sources for patient reimbursement
5 based on actual revenues earned. If the revenue collected exceeds
6 current year expenditures, the revenue may be carried forward with
7 approval of the state budget director. The revenue carried forward
8 shall be used as a first source of funds in the subsequent year.

9 Sec. 1058. Effective October 1 of the current fiscal year, the
10 department, in consultation with the department of technology,
11 management, and budget, may maintain a bid process to identify 1 or
12 more private contractors to provide food service and custodial
13 services for the administrative areas at any state hospital
14 identified by the department as capable of generating savings
15 through the outsourcing of such services.

16 Sec. 1059. The department shall identify specific outcomes and
17 performance measures for the center for forensic psychiatry,
18 including, but not limited to, the following:

19 (a) The average wait time for persons determined incompetent
20 to stand trial before admission to the center for forensic
21 psychiatry.

22 (b) The average wait time for persons determined incompetent
23 to stand trial before admission to other state-operated psychiatric
24 facilities.

25 (c) The number of persons waiting to receive services at the
26 center for forensic psychiatry.

27 (d) The number of persons waiting to receive services at other

1 state-operated hospitals and centers.

2 **HEALTH POLICY**

3 Sec. 1140. From funds appropriated in part 1 for primary care
4 services, \$250,000.00 shall be allocated to free health clinics
5 operating in the state. The department shall distribute the funds
6 equally to each free health clinic. For the purpose of this
7 appropriation, "free health clinics" means nonprofit organizations
8 that use volunteer health professionals to provide care to
9 uninsured individuals.

10 Sec. 1142. The department shall continue to seek means to
11 increase retention of Michigan medical school students for
12 completion of their primary care residency requirements within this
13 state and ultimately, for some period of time, to remain in this
14 state and serve as primary care physicians. The department is
15 encouraged to work with Michigan institutions of higher education.

16 Sec. 1143. The department may award health innovation grants
17 to address emerging issues and encourage cutting edge advances in
18 health care including strategic partners in both the public and
19 private sectors.

20 Sec. 1144. (1) From funds appropriated in part 1 for health
21 policy administration, the department shall allocate the federal
22 state innovation model grant funding that supports implementation
23 of the health delivery system innovations detailed in this state's
24 "Reinventing Michigan's Health Care System: Blueprint for Health
25 Innovation" document. This initiative will test new payment
26 methodologies, support improved population health outcomes, and

1 support improved infrastructure for technology and data sharing and
2 reporting. The funds will be used to provide financial support
3 directly to regions participating in the model test and to support
4 statewide stakeholder guidance and technical support.

5 (2) Outcomes and performance measures for the initiative under
6 subsection (1) include, but are not limited to, the following:

7 (a) Increasing the number of physician practices fulfilling
8 patient-centered medical home functions.

9 (b) Reducing inappropriate health utilization, specifically
10 reducing preventable emergency department visits, reducing the
11 proportion of hospitalizations for ambulatory sensitive conditions,
12 and reducing this state's 30-day hospital readmission rate.

13 (3) By March 1 and September 1 of the current fiscal year, the
14 department shall submit a written report to the house and senate
15 appropriations subcommittees on the department budget, the house
16 and senate fiscal agencies, and the state budget office on the
17 status of the program and progress made since the prior report.

18 (4) From funds appropriated in part 1 for health policy
19 administration, any data aggregator created as part of the
20 allocation of the federal state innovation model grant funds must
21 meet the following standards:

22 (a) The primary purpose of the data aggregator must be to
23 increase the quality of health care delivered in this state, while
24 reducing costs.

25 (b) The data aggregator must be governed by a nonprofit
26 entity.

27 (c) All decisions regarding the establishment, administration,

1 and modification of the database must be made by an advisory board.
2 The membership of the advisory board must include the director of
3 the department or a designee of the director and representatives of
4 health carriers, consumers, and purchasers.

5 (d) The data aggregator must receive health care claims
6 information from, without limitation, commercial health carriers,
7 nonprofit health care corporations, health maintenance
8 organizations, and third party administrators that process claims
9 under a service contract.

10 (e) The data aggregator must use existing data sources and
11 technological infrastructure, to the extent possible.

12 Sec. 1145. The department will take steps necessary to work
13 with Indian Health Service, tribal, or Urban Indian Health Program
14 facilities that provide services under a contract with a Medicaid
15 managed care entity to ensure that those facilities receive the
16 maximum amount allowable under federal law for Medicaid services.

17 Sec. 1146. From funds appropriated in part 1 for bone marrow
18 transplant registry, \$250,000.00 shall be allocated to Michigan
19 Blood, the partner of the match registry of the national marrow
20 donor program. The funds shall be used to offset ongoing tissue
21 typing expenses associated with donor recruitment and collection
22 services and to expand those services to better serve the citizens
23 of this state.

24 Sec. 1150. From funds appropriated in part 1 for health policy
25 administration, the department shall dedicate 1.0 FTE position to
26 coordinate with the department of licensing and regulatory affairs,
27 the department of the attorney general, all appropriate law

1 enforcement agencies, and the Medicaid health plans to reduce fraud
2 related to opioid prescribing within Medicaid, and to address other
3 appropriate recommendations of the prescription drug and opioid
4 abuse task force outlined in its report of October 2015. By October
5 1 of the current fiscal year, the department shall submit a report
6 to the senate and house appropriations subcommittees on the
7 department budget, the senate and house fiscal agencies, the senate
8 and house policy offices, and the state budget office on steps the
9 department has taken to coordinate with the entities listed in this
10 section and other stakeholders to reduce fraud related to opioid
11 prescribing, and to address other appropriate recommendations of
12 the task force.

13 Sec. 1151. From funds appropriated in part 1 for health policy
14 administration, the department shall dedicate 1.0 FTE position to
15 coordinate with the department of licensing and regulatory affairs,
16 the department of the attorney general, all appropriate law
17 enforcement agencies, and the Medicaid health plans to work with
18 local substance use disorder agencies and addiction treatment
19 providers to help inform Medicaid beneficiaries of all medically
20 appropriate treatment options for opioid addiction when their
21 treating physician stops prescribing prescription opioid medication
22 for pain, and to address other appropriate recommendations of the
23 prescription drug and opioid abuse task force outlined in its
24 report of October 2015. By October 1 of the current fiscal year,
25 the department shall submit a report to the senate and house
26 appropriations subcommittees on the department budget, the senate
27 and house fiscal agencies, the senate and house policy offices, and

1 the state budget office on how the department is working with local
2 substance use disorder agencies and addiction treatment providers
3 to ensure that Medicaid beneficiaries are informed of all available
4 and medically appropriate treatment options for opioid addiction
5 when their treating physician stops prescribing prescription opioid
6 medication for pain, and to address other appropriate
7 recommendations of the task force. The report shall include any
8 potential barriers to medication-assisted treatment, as recommended
9 by the Michigan medication-assisted treatment guidelines, for
10 Medicaid beneficiaries in both office-based opioid treatment and
11 opioid treatment program facility settings.

12 Sec. 1152. (1) From funds appropriated in part 1 for health
13 policy administration, there is appropriated \$500,000.00 from funds
14 intended to support the implementation of the health delivery
15 system innovations detailed in this state's "Reinventing Michigan's
16 Health Care System: Blueprint for Health Innovation" for health
17 plans delivering the comprehensive package of services under the
18 department's comprehensive health plan for Medicaid per title XIX
19 of the social security act, 42 USC 1396 to 1396w-5, to implement a
20 cloud-based, interactive analytics platform for Medicaid claims to
21 identify areas of best practice, cost-reduction, and quality
22 improvement opportunities, and comparative cost analysis among
23 providers, hospitals, and managed care organizations consistent
24 with, and in support of, the goals of the state innovation model
25 grant. The analytics platform shall include the ability to adjust
26 for variations in patient risk and acuity differences when
27 comparing performance across regions and hospitals. The analytics

1 platform shall provide data analysis on, but not be limited to,
2 readmission rates, mortality, complication rates, and total episode
3 costs across high-volume acute episodes of care, including pre- and
4 post-discharge costs.

5 (2) The analytics platform described in subsection (1) shall
6 include a methodology to identify and measure savings generated by
7 the analytics platform. It is the intent of the legislature that
8 the amount appropriated for the analytics platform not exceed the
9 anticipated savings generated by the analytics platform.

10 **DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY**

11 Sec. 1180. From funds appropriated in part 1 for epidemiology
12 administration and for childhood lead program, the department shall
13 reestablish a public health drinking water unit and enhance current
14 efforts to monitor child blood lead levels. The investment shall
15 ensure that appropriate investigations of potential health hazards
16 occur for all community and noncommunity drinking water supplies
17 where chemical exceedances of action levels, health advisory, and
18 maximum contaminant limits are identified. The investment will also
19 improve the timeliness and quality of care provided to children
20 with lead exposure, leading to a long-term reduction in the
21 percentage of Michigan children with elevated blood lead levels.

22 Sec. 1181. From funds appropriated in part 1 for epidemiology
23 administration, the department shall establish and maintain a vapor
24 intrusion response unit. The vapor intrusion response unit is
25 expected to assess risks to public health at 200 vapor intrusion
26 sites each year, and to respond to those risks where appropriate.

1 The purpose of the vapor intrusion response unit is to reduce the
2 number of Michigan residents exposed to toxic substances through
3 vapor intrusion and to improve health outcomes for those that are
4 identified as having been exposed to vapor intrusion.

5 Sec. 1182. (1) From funds appropriated in part 1 for the
6 healthy homes program, no less than \$25,200,000.00 shall be
7 allocated for lead abatement of homes.

8 (2) By January 1 of the current fiscal year, the department
9 shall provide a report to the house and senate appropriations
10 subcommittees on the department budget, the house and senate fiscal
11 agencies, and the state budget office on the expenditures and
12 activities undertaken by the lead abatement program in the previous
13 fiscal year from funds appropriated in part 1 for the healthy homes
14 program. The report shall include, but is not limited to, a funding
15 allocation schedule, expenditures by category of expenditure and by
16 subcontractor, revenues received, description of program elements,
17 and description of program accomplishments and progress.

18 **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

19 Sec. 1220. The amount appropriated in part 1 for
20 implementation of the 1993 additions of or amendments to sections
21 9161, 16221, 16226, 17014, 17015, and 17515 of the public health
22 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,
23 333.17015, and 333.17515, shall be used to reimburse local health
24 departments for costs incurred related to implementation of section
25 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

26 Sec. 1221. If a county that has participated in a district

1 health department or an associated arrangement with other local
2 health departments takes action to cease to participate in such an
3 arrangement after October 1 of the current fiscal year, the
4 department shall have the authority to assess a penalty from the
5 local health department's operational accounts in an amount equal
6 to no more than 6.25% of the local health department's essential
7 local public health services funding. This penalty shall only be
8 assessed to the local county that requests the dissolution of the
9 health department.

10 Sec. 1222. (1) Funds appropriated in part 1 for essential
11 local public health services shall be prospectively allocated to
12 local health departments to support immunizations, infectious
13 disease control, sexually transmitted disease control and
14 prevention, hearing screening, vision services, food protection,
15 public water supply, private groundwater supply, and on-site sewage
16 management. Food protection shall be provided in consultation with
17 the department of agriculture and rural development. Public water
18 supply, private groundwater supply, and on-site sewage management
19 shall be provided in consultation with the department of
20 environmental quality.

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

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

27 (4) By December 1 of the current fiscal year, the department

1 shall provide a report to the house and senate appropriations
2 subcommittees on the department budget, the house and senate fiscal
3 agencies, and the state budget director on the planned allocation
4 of the funds appropriated for essential local public health
5 services.

6 Sec. 1223. (1) From funds appropriated in part 1 for dental
7 programs, \$150,000.00 shall be allocated to the Michigan Dental
8 Association for the administration of a volunteer dental program
9 that provides dental services to the uninsured.

10 (2) By December 1 of the current fiscal year, the department
11 shall report to the senate and house appropriations subcommittees
12 on the department budget, the senate and house standing committees
13 on health policy, the senate and house fiscal agencies, and the
14 state budget office the number of individual patients treated,
15 number of procedures performed, and approximate total market value
16 of those procedures from the previous fiscal year.

17 Sec. 1224. The department shall use revenue from mobile
18 dentistry facility permit fees received under section 21605 of the
19 public health code, 1978 PA 368, MCL 333.21605, to offset the cost
20 of the permit program.

21 Sec. 1225. The department shall work with the Michigan health
22 endowment fund corporation established under section 653 of the
23 nonprofit health care corporation reform act, 1980 PA 350, MCL
24 550.1653, to explore ways to fund and evaluate current and future
25 policies and programs. It is the intent of the legislature that, by
26 March 1 of the current fiscal year, the senate and house
27 appropriations subcommittees on the department budget shall hold a

1 joint hearing for the purpose of a presentation by the Michigan
2 health endowment fund corporation and the department, detailing the
3 steps taken to work together, and to report on initiatives
4 supported by the Michigan health endowment fund.

5 Sec. 1226. From funds appropriated in part 1 for health and
6 wellness initiatives, \$1,000,000.00 shall be allocated for a school
7 children's healthy exercise program to promote and advance physical
8 health for school children in kindergarten through grade 8. The
9 department shall recommend model programs for sites to implement
10 that incorporate evidence-based best practices. The department
11 shall grant no less than 1/2 of the funds appropriated in part 1
12 for before- and after-school programs. The department shall
13 establish guidelines for program sites, which may include schools,
14 community-based organizations, private facilities, recreation
15 centers, or other similar sites. The program format shall encourage
16 local determination of site activities and shall encourage local
17 inclusion of youth in the decision-making regarding site
18 activities. Program goals shall include children experiencing
19 improved physical health and access to physical activity
20 opportunities, the reduction of obesity, providing a safe place to
21 play and exercise, and nutrition education. To be eligible to
22 participate, program sites shall provide a 20% match to the state
23 funding, which may be provided in full, or in part, by a
24 corporation, foundation, or private partner. The department shall
25 seek financial support from corporate, foundation, or other private
26 partners for the program or for individual program sites.

27 Sec. 1227. The department shall establish criteria for all

1 funds allocated under part 1 for health and wellness initiatives.
2 The criteria must include a requirement that all programs funded be
3 evidence-based and supported by research, include interventions
4 that have been shown to demonstrate outcomes that lower cost and
5 improve quality, and be designed for statewide impact. Preference
6 must be given to programs that utilize the funding as match for
7 additional resources including, but not limited to, federal
8 sources.

9 Sec. 1228. Upon request, the department, in conjunction with
10 the vendor, shall evaluate and analyze the costs and benefits of
11 the traumatic brain injury pilot project as funded in article IV of
12 2014 PA 252.

13 Sec. 1229. (1) From funds appropriated in part 1 for dental
14 programs, \$1,550,000.00 shall be distributed to local health
15 departments who partner with a qualified nonprofit provider of
16 dental services for the purpose of providing high-quality dental
17 homes for seniors, children, and adults enrolled in Medicaid, and
18 low-income uninsured.

19 (2) In order to be considered a qualified nonprofit provider
20 of dental services, the provider must demonstrate an effective
21 health insurance enrollment process for uninsured patients and
22 demonstrate to the department an effective process of charging
23 patients on a sliding scale based on the patient's ability to pay.

24 (3) Outcomes and performance measures for the program under
25 this section include, but are not limited to, the following:

26 (a) The number of uninsured patients who visited a
27 participating dentist over the prior year, broken down between

1 adults and children.

2 (b) The number of patients assisted with health insurance
3 enrollment, broken down between adults and children.

4 (c) A 5-year trend of the number of uninsured patients being
5 served, broken down between adults and children.

6 Sec. 1230. From funds appropriated in part 1 for dental
7 programs, \$100.00 shall be used to create a school-based nursing
8 clinic pilot dental program that provides services such as teeth
9 cleaning and dental sealants in conjunction with providing vision
10 and hearing testing and screening.

11 **FAMILY, MATERNAL, AND CHILD HEALTH**

12 Sec. 1300. By March 1 of the current fiscal year the
13 department shall annually issue to the legislature, and the public
14 on the internet, a report providing estimated public funds
15 administered by the department for family planning, sexually
16 transmitted infection prevention and treatment, and pregnancies and
17 births, as well as demographics collected by the department as
18 voluntarily self-reported by individuals utilizing those services.
19 The department shall provide the actual expenditures by marital
20 status or, where actual expenditures are not available, shall
21 provide estimated expenditures by marital status. The department
22 may utilize the DCH-1426 application for health coverage and help
23 paying costs or any other official application for public
24 assistance for medical coverage to determine the actual or
25 estimated public expenditures based on marital status.

26 Sec. 1301. (1) Before April 1 of the current fiscal year, the

1 department shall submit a report to the house and senate fiscal
2 agencies and the state budget director on planned allocations from
3 the amounts appropriated in part 1 for local MCH services, prenatal
4 care outreach and service delivery support, family planning local
5 agreements, and pregnancy prevention programs. Using applicable
6 federal definitions, the report shall include information on all of
7 the following:

8 (a) Funding allocations.

9 (b) Actual number of women, children, and adolescents served
10 and amounts expended for each group for the immediately preceding
11 fiscal year.

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

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

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

21 Sec. 1302. Each family planning program receiving federal
22 title X family planning funds under 42 USC 300 to 300a-8 shall be
23 in compliance with all performance and quality assurance indicators
24 that the office of population affairs within the United States
25 Department of Health and Human Services specifies in the program
26 guidelines for project grants for family planning services. An
27 agency not in compliance with the indicators shall not receive

1 supplemental or reallocated funds.

2 Sec. 1303. The department shall not contract with an
3 organization that provides elective abortions, abortion counseling,
4 or abortion referrals, for services that are to be funded with
5 state restricted or state general fund/general purpose funds
6 appropriated in part 1 for family planning local agreements. An
7 organization under contract with the department shall not
8 subcontract with an organization that provides elective abortions,
9 abortion counseling, or abortion referrals, for services that are
10 to be funded with state restricted or state general fund/general
11 purpose funds appropriated in part 1 for family planning local
12 agreements.

13 Sec. 1304. The department shall not use state restricted funds
14 or state general funds appropriated in part 1 in the pregnancy
15 prevention program or family planning local agreements
16 appropriation line items for abortion counseling, referrals, or
17 services.

18 Sec. 1307. From funds appropriated in part 1 for prenatal care
19 outreach and service delivery support, \$400,000.00 shall be
20 allocated for a pregnancy and parenting support services program,
21 which program must promote childbirth, alternatives to abortion,
22 and grief counseling. The department shall establish a program with
23 a qualified contractor that will contract with qualified service
24 providers to provide free counseling, support, and referral
25 services to eligible women during pregnancy through 12 months after
26 birth. As appropriate, the goals for client outcomes shall include
27 an increase in client support, an increase in childbirth choice, an

1 increase in adoption knowledge, an improvement in parenting skills,
2 and improved reproductive health through abstinence education. The
3 contractor of the program shall provide for program training,
4 client educational material, program marketing, and annual service
5 provider site monitoring. The department shall submit a report to
6 the house and senate appropriations subcommittees on the department
7 budget and the house and senate fiscal agencies by April 1 of the
8 current fiscal year on the number of clients served.

9 Sec. 1308. From funds appropriated in part 1 for prenatal care
10 outreach and service delivery support, not less than \$500,000.00 of
11 funding shall be allocated for evidence-based programs to reduce
12 infant mortality including nurse family partnership programs. The
13 funds shall be used for enhanced support and education to nursing
14 teams or other teams of qualified health professionals, client
15 recruitment in areas designated as underserved for obstetrical and
16 gynecological services and other high-need communities, strategic
17 planning to expand and sustain programs, and marketing and
18 communications of programs to raise awareness, engage stakeholders,
19 and recruit nurses.

20 Sec. 1309. The department shall allocate funds appropriated in
21 section 117 of part 1 for family, maternal, and child health
22 according to section 1 of 2002 PA 360, MCL 333.1091.

23 Sec. 1310. The department shall continue to work jointly with
24 the Michigan state housing development authority and the joint task
25 force established under article IV of 2014 PA 252 to review housing
26 rehabilitation, energy and weatherization, and hazard abatement
27 program policies and to make recommendations for integrating and

1 coordinating project delivery with the goals of serving more
2 families and achieving better outcomes by maximizing state and
3 federal resources. The joint task force may provide recommendations
4 to the department. Recommendations of the joint task force must
5 give consideration to best practices and cost effectiveness.

6 Sec. 1311. From funds appropriated in part 1 for prenatal care
7 outreach and service delivery support, equal consideration shall be
8 given to all eligible evidence-based providers in all regions in
9 contracting for rural home visitation services.

10 Sec. 1313. (1) The department shall continue developing an
11 outreach program on fetal alcohol syndrome services, targeting
12 health promotion, prevention, and intervention as described in the
13 Michigan fetal alcohol spectrum disorders 5-year plan 2015-2020.

14 (2) The department shall explore federal grant funding to
15 address prevention services for fetal alcohol syndrome and reduce
16 alcohol consumption among pregnant women.

17 Sec. 1340. The department shall include national brand peanut
18 butter on the list of approved women, infants, and children special
19 supplemental nutrition program basket items.

20 Sec. 1341. From funds appropriated in part 1 for special
21 projects, \$100.00 shall be allocated for implementation of an
22 evidence-based, real-time, quality assurance decision support
23 software in the treatment of adult, pediatric, and stroke-related
24 traumatic brain injury and for protocols that are to be available
25 to all hospitals providing those trauma services. The funds shall
26 be used to purchase statewide licenses for each disease category
27 listed, to purchase software services, and to offset hospital

software integration costs. The department shall seek any federal matching funds available for the implementation of this section.

EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS

Sec. 1350. From funds appropriated in part 1 for emergency medical services, the department shall allocate \$182,000.00 for emergency medical services in the Upper Peninsula for the provision of emergency medical services in rural counties.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1360. The department may do 1 or more of the following:

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

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

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

(d) Provide human growth hormone to eligible patients.

Sec. 1361. From funds appropriated in part 1 for medical care and treatment, the department is authorized to spend those funds for the continued development and expansion of telemedicine capacity to allow families with children in the children's special health care services program to access specialty providers more readily and in a more timely manner.

AGING AND ADULT SERVICES AGENCY

1 Sec. 1402. The department may encourage the Food Bank Council
2 of Michigan to collaborate directly with each area agency on aging
3 and any other organizations that provide senior nutrition services
4 to secure the food access of vulnerable seniors.

5 Sec. 1403. (1) By February 1 of the current fiscal year, the
6 aging and adult services agency shall require each region to report
7 to the aging and adult services agency and to the legislature home-
8 delivered meals waiting lists based upon standard criteria.

9 Determining criteria shall include all of the following:

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

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

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

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

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

20 Sec. 1417. The department shall provide to the senate and
21 house appropriations subcommittees on the department budget, senate
22 and house fiscal agencies, and state budget director a report by
23 March 30 of the current fiscal year that contains all of the
24 following:

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

27 (b) Detail expenditure by each area agency on aging by

1 individual program and administration including both state-funded
2 resources and locally-funded resources.

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

6 Sec. 1422. (1) From funds appropriated in part 1 for aging and
7 adult services administration, not less than \$300,000.00 shall be
8 allocated for the department to contract with the Prosecuting
9 Attorneys Association of Michigan to provide the support and
10 services necessary to increase the capability of the state's
11 prosecutors, adult protective service system, and criminal justice
12 system to effectively identify, investigate, and prosecute elder
13 abuse and financial exploitation.

14 (2) By March 1 of the current fiscal year, the Prosecuting
15 Attorneys Association of Michigan shall provide a report on the
16 efficacy of the contract to the state budget office, the house and
17 senate appropriations subcommittees on the department budget, the
18 house and senate fiscal agencies, and the house and senate policy
19 offices.

20 Sec. 1425. The department shall coordinate with the department
21 of licensing and regulatory affairs to ensure that, upon receipt of
22 the order of suspension of a licensed adult foster care home, home
23 for the aged, or nursing home, the department of licensing and
24 regulatory affairs shall provide notice to the department and to
25 the house and senate appropriations subcommittees on the department
26 budget.

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, 2021.

20 Sec. 1502. The department shall spend available work project
21 revenue and any associated federal match to create and develop a
22 transparency database website. This funding is contingent upon
23 enactment of enabling legislation.

24 Sec. 1503. From funds appropriated in part 1 for Healthy
25 Michigan plan administration, the department shall maintain an
26 accounting structure within the Michigan administrative information
27 network that will allow expenditures associated with the

1 administration of the Healthy Michigan plan to be identified.

2 Sec. 1505. By March 1 and September 1 of the current fiscal
3 year, the department shall submit a report to the senate and house
4 appropriations subcommittees on the department budget, the senate
5 and house fiscal agencies, and the state budget office including
6 both of the following:

7 (a) The department's projected annual increase in
8 reimbursement savings and cost offsets that will result from funds
9 appropriated in part 1 for the office of inspector general and
10 third party liability efforts.

11 (b) The actual increase in reimbursement savings and cost
12 offsets that have resulted from funds appropriated in part 1 for
13 the office of inspector general and third party liability efforts.

14 Sec. 1506. The department shall submit to the senate and house
15 appropriations subcommittees on the department budget, the senate
16 and house fiscal agencies, the senate and house policy offices, and
17 the state budget office a quarterly report on the implementation
18 status of the public assistance call center that includes all of
19 the following information:

20 (a) Call volume during the prior quarter.

21 (b) Percentage of calls resolved through the public assistance
22 call center.

23 (c) Percentage of calls transferred to a local department
24 office or other office for resolution.

25 (d) Number of Medicaid applications completed by the public
26 assistance call center staff and submitted on behalf of clients.

27 Sec. 1507. (1) From funds appropriated in part 1 for

1 technology supporting integrated service delivery, the department
2 shall establish new information technology tools and enhance
3 existing systems to improve the eligibility and enrollment process
4 for citizens accessing department administered programs. This
5 information technology system will consolidate beneficiary
6 information, support department caseworker efforts in building a
7 success plan for beneficiaries, and better support department staff
8 in supporting enrollees in assistance programs.

9 (2) Outcomes and performance measures for the initiative under
10 subsection (1) include, but are not limited to, the following:

11 (a) Successful consolidation of data warehouses maintained by
12 the department.

13 (b) The amount of time a department caseworker devotes to data
14 entry when initiating an enrollee application.

15 (c) A reduction in wait times for persons enrolled in
16 assistance programs to speak with department staff and get
17 necessary changes made.

18 (d) A reduction in department caseworker workload.

19 **MEDICAL SERVICES**

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

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

1 the department.

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

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

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

11 Sec. 1606. For the purpose of guardian and conservator
12 charges, the department may deduct up to \$83.00 per month as an
13 allowable expense against a recipient's income when determining
14 medical services eligibility and patient pay amounts.

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

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

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

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

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

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

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

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

1 pregnancy-related appointment.

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

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

21 Sec. 1620. (1) According to the federal covered outpatient
22 drug final rule with comment (CMS-2345-FC), the department shall
23 establish a professional pharmaceutical dispensing fee for pharmacy
24 benefits that are reimbursed on a fee-for-service basis. In
25 establishing this fee, the department shall comply with federal law
26 while taking into consideration the state's long-term financial
27 exposure and Medicaid beneficiaries' access to care. The

1 established fee shall not be lower than the amount in effect on
2 October 1, 2015.

3 (2) The department shall require a prescription co-payment for
4 Medicaid recipients not enrolled in the Healthy Michigan plan or
5 with an income less than 100% of the federal poverty level of \$1.00
6 for a generic drug and \$3.00 for a brand-name drug, except as
7 prohibited by federal or state law or regulation.

8 (3) The department shall require a prescription co-payment for
9 Medicaid recipients enrolled in the Healthy Michigan plan with an
10 income of at least 100% of the federal poverty level of \$4.00 for a
11 generic drug and \$8.00 for a brand-name drug, except as prohibited
12 by federal or state law or regulation.

13 Sec. 1629. The department shall utilize maximum allowable cost
14 pricing for generic drugs that is based on wholesaler pricing to
15 providers that is available from at least 2 wholesalers who deliver
16 in this state.

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

21 (2) Except as otherwise prohibited by federal or state law or
22 regulation, the department shall require Medicaid recipients not
23 enrolled in the Healthy Michigan plan or with an income less than
24 100% of the federal poverty level to pay not less than the
25 following co-payments:

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

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

1 (c) Fifty dollars for the first day of an inpatient hospital
2 stay.

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

4 (3) Except as otherwise prohibited by federal or state law or
5 regulation, the department shall require Medicaid recipients
6 enrolled in the Healthy Michigan plan with an income of at least
7 100% of the federal poverty level to pay the following co-payments:

8 (a) Four dollars for a physician office visit.

9 (b) Eight dollars for a hospital emergency room visit.

10 (c) One hundred dollars for the first day of an inpatient
11 hospital stay.

12 (d) Four dollars for an outpatient hospital visit or any other
13 medical provider visit to the extent allowed by federal or state
14 law or regulation.

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

19 Sec. 1645. The department shall consider using the most recent
20 3 years of actual days of care provided, as reported in the annual
21 cost reports, for the purpose of establishing the nursing facility
22 quality assurance assessment fee. For any year in which the
23 estimated days of care compared to the actual days of care provided
24 by each nursing home and hospital long-term care unit creates an
25 aggregate overpayment of \$1,000,000.00 or more as a result of the
26 nursing facility quality assurance assessment fee, the department
27 shall report the excess assessed amount to the senate and house

1 appropriation subcommittees on the department budget, the senate
2 and house fiscal agencies, and the state budget office. By April 1
3 of the current fiscal year, the department shall report on
4 feasibility of creating a more accurate formula for next year's
5 assessment and a recommendation if a refund can or cannot be made
6 to the senate and house appropriation subcommittees on the
7 department budget, the senate and house fiscal agencies, and the
8 state budget office.

9 Sec. 1646. From funds appropriated in part 1 for long-term
10 care services, the department shall implement a nursing facility
11 quality initiative. The initiative shall be financed through an
12 increase of the quality assurance assessment for nursing homes and
13 hospital long-term care units, and shall provide quality incentive
14 payments intended to reward and support improvement in outcomes for
15 nursing facility patients and residents.

16 Sec. 1657. (1) Reimbursement for medical services to screen
17 and stabilize a Medicaid recipient, including stabilization of a
18 psychiatric crisis, in a hospital emergency room shall not be made
19 contingent on obtaining prior authorization from the recipient's
20 HMO. If the recipient is discharged from the emergency room, the
21 hospital shall notify the recipient's HMO within 24 hours of the
22 diagnosis and treatment received.

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

27 (3) Subsections (1) and (2) do not require an alteration to an

1 existing agreement between an HMO and its contracting hospitals and
2 do not require an HMO to reimburse for services that are not
3 considered to be medically necessary.

4 Sec. 1659. The following sections of this part are the only
5 sections that apply to the following Medicaid managed care
6 programs, including the comprehensive plan, MIChoice long-term care
7 plan, and the mental health, substance use disorder, and
8 developmentally disabled services program: 904, 911, 918, 920, 928,
9 942, 944, 994, 1008, 1607, 1657, 1662, 1699, 1700, 1702, 1704,
10 1764, 1809, 1810, 1820, 1850, 1875, 1882, and 1888.

11 Sec. 1662. (1) The department shall ensure that an external
12 quality review of each contracting HMO is performed that results in
13 an analysis and evaluation of aggregated information on quality,
14 timeliness, and access to health care services that the HMO or its
15 contractors furnish to Medicaid beneficiaries.

16 (2) The department shall require Medicaid HMOs to provide
17 EPSDT utilization data through the encounter data system, and HEDIS
18 well child health measures in accordance with the National
19 Committee for Quality Assurance prescribed methodology.

20 (3) The department shall provide a copy of the analysis of the
21 Medicaid HMO annual audited HEDIS reports and the annual external
22 quality review report to the senate and house of representatives
23 appropriations subcommittees on the department budget, the senate
24 and house fiscal agencies, and the state budget director, within 30
25 days of the department's receipt of the final reports from the
26 contractors.

27 Sec. 1670. (1) The appropriation in part 1 for the MIChild

1 program is to be used to provide comprehensive health care to all
2 children under age 19 who reside in families with income at or
3 below 212% of the federal poverty level, who are uninsured and have
4 not had coverage by other comprehensive health insurance within 6
5 months of making application for MICHild benefits, and who are
6 residents of this state. The department shall develop detailed
7 eligibility criteria through the medical services administration
8 public concurrence process, consistent with the provisions of this
9 part and part 1.

10 (2) The department may provide up to 1 year of continuous
11 eligibility to children eligible for the MICHild program unless the
12 family fails to pay the monthly premium, a child reaches age 19, or
13 the status of the children's family changes and its members no
14 longer meet the eligibility criteria as specified in the state
15 plan.

16 (3) The department may make payments on behalf of children
17 enrolled in the MICHild program as described in the MICHild state
18 plan approved by the United States Department of Health and Human
19 Services, or from other medical services.

20 Sec. 1673. The department may establish premiums for MICHild
21 eligible individuals in families with income at or below 212% of
22 the federal poverty level. The monthly premiums shall be \$10.00 per
23 month.

24 Sec. 1677. The MICHild program shall provide, at a minimum,
25 all benefits available under the Michigan benchmark plan that are
26 delivered through contracted providers and consistent with federal
27 law, including, but not limited to, the following medically

1 necessary services:

2 (a) Inpatient mental health services, other than substance use
3 disorder treatment services, including services furnished in a
4 state-operated mental hospital and residential or other 24-hour
5 therapeutically planned structured services.

6 (b) Outpatient mental health services, other than substance
7 use disorder services, including services furnished in a state-
8 operated mental hospital and community-based services.

9 (c) Durable medical equipment and prosthetic and orthotic
10 devices.

11 (d) Dental services as outlined in the approved MICHild state
12 plan.

13 (e) Substance use disorder treatment services that may include
14 inpatient, outpatient, and residential substance use disorder
15 treatment services.

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

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

19 (h) Emergency ambulance services.

20 Sec. 1682. (1) In addition to the appropriations in part 1,
21 the department is authorized to receive and spend penalty money
22 received as the result of noncompliance with medical services
23 certification regulations. Penalty money, characterized as private
24 funds, received by the department shall increase authorizations and
25 allotments in the long-term care accounts.

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

1 Sec. 1692. (1) The department is authorized to pursue
2 reimbursement for eligible services provided in Michigan schools
3 from the federal Medicaid program. The department and the state
4 budget director are authorized to negotiate and enter into
5 agreements, together with the department of education, with local
6 and intermediate school districts regarding the sharing of federal
7 Medicaid services funds received for these services. The department
8 is authorized to receive and disburse funds to participating school
9 districts pursuant to such agreements and state and federal law.

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

13 (a) Finance activities within the medical services
14 administration related to this project.

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

18 (c) Offset general fund costs associated with the medical
19 services program.

20 Sec. 1693. The special Medicaid reimbursement appropriation in
21 part 1 may be increased if the department submits a medical
22 services state plan amendment pertaining to this line item at a
23 level higher than the appropriation. The department is authorized
24 to appropriately adjust financing sources in accordance with the
25 increased appropriation.

26 Sec. 1694. From funds appropriated in part 1 for special
27 Medicaid reimbursement, \$386,700.00 of general fund/general purpose

1 revenue and any associated federal match shall be distributed for
2 poison control services to an academic health care system that
3 includes a children's hospital that has a high indigent care
4 volume.

5 Sec. 1699. (1) The department may make separate payments in
6 the amount of \$45,000,000.00 directly to qualifying hospitals
7 serving a disproportionate share of indigent patients and to
8 hospitals providing GME training programs. If direct payment for
9 GME and DSH is made to qualifying hospitals for services to
10 Medicaid recipients, hospitals shall not include GME costs or DSH
11 payments in their contracts with HMOs.

12 (2) The department shall allocate \$45,000,000.00 in DSH
13 funding using the distribution methodology used in fiscal year
14 2003-2004.

15 Sec. 1700. (1) By December 1 of the current fiscal year, the
16 department shall report to the senate and house appropriations
17 subcommittees on the department budget, the senate and house fiscal
18 agencies, and the state budget office on the distribution of
19 funding provided, and the net benefit if the special hospital
20 payment is not financed with general fund/general purpose revenue,
21 to each eligible hospital during the previous fiscal year from the
22 following special hospital payments:

23 (a) DSH, separated out by unique DSH pool.

24 (b) GME.

25 (c) Special rural hospital payments provided under section
26 1866.

27 (d) Lump-sum payments to rural hospitals for obstetrical care

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provided under section 1802.

(2) By May 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the projected distribution of funding, and the projected net benefit if the special hospital payment is not financed with general fund/general purpose revenue, to each eligible hospital from the following special hospital payments:

(a) DSH, separated out by unique DSH pool.

(b) GME.

(c) Special rural hospital payments provided under section 1866.

(d) Lump-sum payments to rural hospitals for obstetrical care provided under section 1802.

Sec. 1701. (1) The department shall apply to the Centers for Medicare and Medicaid Services for a waiver to allow the department to <<bill CMS for>> direct primary care <<services>> for Medicaid <<enrollees>>. After the department receives a response from the Centers for Medicare and Medicaid Services regarding the waiver, the department shall do 1 of the following:

(a) If the Centers for Medicare and Medicaid Services approves the waiver, from funds appropriated in part 1 for health plan services the department shall expend \$710,035.00 general fund/general purpose plus associated federal match for this program as part of a work project << >>.

(b) If the Centers for Medicare and Medicaid Services does not approve the waiver, from funds appropriated in part 1 for health

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plan services the department shall expend <<\$864,000.00>> general fund/general purpose to fund a direct primary care pilot program <<as part of a work project>>.

(2) <<If the waiver in subsection (1) is approved, the>> department shall implement a direct primary care pilot program for Medicaid enrollees in Wayne, Oakland, Kent, Genesee, and Livingston Counties that shall run from October 1, 2017 to September 30, 2018. The pilot program shall include 400 enrollees from each of the following Medicaid eligibility categories:

- (a) Childless adults.
- (b) Children ages 0 to 6 years.
- (c) Children ages 7 to 18 years.
- (d) Parents.
- (e) Elderly individuals.
- (f) Disabled individuals.

<<(3) If the waiver in subsection (1) is not approved, the department shall implement a direct primary care pilot program for Medicaid enrollees in Wayne, Oakland, Kent, Genesee, and Livingston Counties that shall run from October 1, 2017 to September 30, 2018. The pilot shall include 400 enrollees from each of the following Medicaid eligibility categories:

- (a) Childless adults.
- (b) Children ages 0 to 18 years.
- (c) Parents.

(4)>> For the purposes of the pilot program, each enrollee shall be enrolled in a single, eligible direct primary care service provider plan. The department shall maintain and publicly share a list of eligible direct primary care service providers with potential pilot program enrollees.

<<(5)>> An eligible direct primary care service provider must meet the following requirements:

- (a) The direct primary care service provider must be a licensed physician in a primary care specialty.
- (b) <<If the waiver in subsection (1) is approved, the>> monthly direct primary care enrollment fee shall not exceed a weighted average of \$70.00 per month across all eligibility categories. The average shall be weighted by the population makeup of the pilot program. <<If the waiver in subsection (1) is not approved, the monthly direct primary care enrollment fee shall not exceed a weighted average of \$60.00 per month across all eligibility categories. The average shall be weighted by the population makeup of the pilot.>>

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1 (c) The direct primary care service provider <<will be contracted
2 with the department and>> must not accept
3 any <<other>> third-party payments for <<providing>> health care
4 services, <<to enrollees
5 under this pilot program>>.

6 (d) The direct primary care service provider must only provide
7 primary care services.

8 (e) The direct primary care service provider's services must
9 include, but are not limited to, access to telemedicine and same or
10 next business day appointments.

11 <<(6)>> Managed care organizations contracted by this state to
12 provide Medicaid services within the county where a direct primary
13 care pilot program enrollee lives shall authorize direct primary
14 care service providers participating in the pilot program to serve
15 as "gateway" service providers who are able to refer pilot
16 enrollees to non-primary care services within the managed care
17 organization's provider network. The managed care provider is not
18 liable for increased costs resulting from the implementation of the
19 pilot program. The direct primary care service providers must do
20 all of the following:

21 (a) Only refer pilot program enrollees to non-primary care
22 service providers within the managed care organization's provider
23 network.

24 (b) For pharmacy services not covered in the direct primary
25 care services agreement, only authorize the use of pharmaceuticals
26 covered under the managed care organization's formulary management
27 system.

(c) Follow all prior authorization requirements mandated by

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1 the managed care organization.

2 <<(7)>> The department shall have access to the patient records of
3 each enrollee in the pilot program for the sole purpose of
4 aggregate data collection.

5 <<(8)>> On a quarterly basis, the department shall report to the
6 senate and house appropriations subcommittees on the department
7 budget, the senate and house fiscal agencies, the senate and house
8 policy offices, and the state budget office on the implementation
9 of the direct primary care pilot program. The report shall include,
10 but is not limited to, the following performance metrics:

11 (a) The number of enrollees in the pilot program by
12 eligibility category.

13 (b) The per-member-per-month rate paid in the previous fiscal
14 year per eligibility category.

15 (c) The number of claims paid in the previous fiscal year per
16 eligibility category.

17 (d) The number of claims per category weighted to reflect 400
18 enrollees.

19 (e) The dollar value of all claims per eligibility category.

20 (f) The per-member-per-month actual cost. As used in this
21 subdivision, "per-member-per-month actual cost" means the direct
22 primary care plan costs and any managed care costs not covered
23 through the direct primary care plan, including managed care
24 provider overhead costs.

25 (g) The average direct primary care cost per enrollee per
26 eligibility category.

27 (h) The average number of actual claims per eligibility

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1 category.

2 (i) The average actual dollar value of claims per eligibility
3 category.

4 (j) The number of enrollees in the pilot program during the
5 previous quarter who are no longer eligible for Medicaid in the
6 current quarter, broken down by eligibility category.

7 (k) The category savings subtotal. As used in this
8 subdivision, "category savings subtotal" means the per-member-per-
9 month rate paid in fiscal year 2016-2017 minus the per-member-per-
10 month actual cost, times the number of enrollees in the eligibility
11 category.

12 (l) The total savings. As used in this subdivision, "total
13 savings" means the per-member-per-month rate paid in the previous
14 fiscal year minus the per-member-per-month actual cost, times the
15 total number of enrollees in the program.

16 <<(9)>> Unexpended and unencumbered funds up to a maximum of
17 \$2,130,105.00 general fund/general purpose revenue plus any
18 associated federal match remaining in accounts appropriated in part
19 1 for health plan services are designated as work project
20 appropriations, and any unencumbered or unallotted funds shall not
21 lapse at the end of the fiscal year and shall be available for
22 expenditures for the direct primary care pilot program for Medicaid
23 enrollees in Wayne, Oakland, and Livingston Counties under this
24 section until the work project has been completed. All of the
25 following are in compliance with section 451a(1) of the management
26 and budget act, 1984 PA 431, MCL 18.1451a:

27 (a) The purpose of the work project is to fund the cost of a

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1 direct primary care pilot program as provided by this section.

2 (b) The work project will be accomplished by contracting with
3 a managed care organization under contract with the department to
4 provide Medicaid services.

5 (c) The total estimated completion cost of the work project is
6 <<\$6,048,000.00>>.

7
8 (d) The tentative completion date is September 30, 2020.

9 <<(10)>> The department may take out a stop loss policy to mitigate
10 the potential cost impact if pilot program per member per month
11 costs exceed per member per month costs for the program the
12 enrollee would have been in had they not participated in the pilot
13 program. The cost of the stop loss plan shall not be used in the
14 assessment of the success of the pilot program.

15 Sec. 1702. From funds appropriated in part 1, the department
16 shall maintain the 15% rate increase provided during fiscal year
17 2017 for private duty nursing services for Medicaid beneficiaries
18 under the age of 21. These additional funds must be used to attract
19 and retain highly qualified registered nurses and licensed
20 practical nurses to provide private duty nursing services so that
21 medically frail children can be cared for in the most homelike
22 setting possible.

23 Sec. 1704. (1) From funds appropriated in part 1 for dental
24 services, the department shall allocate \$2,697,300.00 to support
25 the enhancement of the Medicaid adult dental benefit for pregnant
26 women enrolled in a Medicaid program.

27 (2) The department shall report to the senate and house

1 appropriations subcommittees on the department budget, the senate
2 and house fiscal agencies, and the state budget office by October 1
3 of the current fiscal year on the steps taken by the department to
4 implement subsection (1).

5 (3) Outcomes and performance measures for the program change
6 under this section include, but are not limited to, the following:

7 (a) The number of pregnant women enrolled in Medicaid who
8 visited a dentist over the prior year.

9 (b) The number of dentists statewide who participate in
10 providing dental services to pregnant women enrolled in Medicaid.

11 Sec. 1705. By March 1 of the current fiscal year, the
12 department shall provide to the senate and house appropriation
13 subcommittees on the department budget, the senate and house fiscal
14 agencies, and the state budget office a report to evaluate the
15 various reimbursement rates provided to ambulatory surgical
16 centers, to explain why any differences in reimbursement rates
17 exist, and to recommend any changes to the reimbursement rates.

18 Sec. 1706. From funds appropriated in part 1 for adult home
19 help services, the department may issue a request for proposal for
20 the purpose of implementing a pilot program to conduct criminal
21 history background checks on home help aides employed by individual
22 providers, and to require agency providers to conduct criminal
23 history background checks on their employees or subcontractors.

24 Sec. 1707. From funds appropriated in part 1 for hospital
25 services and therapy, the department shall make a grant of
26 \$1,000,000.00 to support a hospital that qualifies for rural
27 hospital access payments and is located in a county with a

1 population between 130,000 and 140,000 according to the most recent
2 decennial census.

3 Sec. 1724. The department shall allow licensed pharmacies to
4 purchase injectable drugs for the treatment of respiratory
5 syncytial virus for shipment to physicians' offices to be
6 administered to specific patients. If the affected patients are
7 Medicaid eligible, the department shall reimburse pharmacies for
8 the dispensing of the injectable drugs and reimburse physicians for
9 the administration of the injectable drugs.

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

14 Sec. 1764. The department shall annually certify whether rates
15 paid to Medicaid health plans and specialty PIHPs are actuarially
16 sound in accordance with federal requirements and shall provide a
17 copy of the rate certification and approval of rates paid to
18 Medicaid health plans and specialty PIHPs within 5 business days
19 after certification or approval to the senate and house
20 appropriations subcommittees on the department budget, the senate
21 and house fiscal agencies, and the state budget office. Following
22 the rate certification, the department shall ensure that no new or
23 revised state Medicaid policy bulletin that is promulgated
24 negatively impacts the capitation rates that have been certified.

25 Sec. 1775. The department shall ensure the existence of an
26 ombudsman program that is not associated with any project service
27 manager or provider to assist MI Health Link beneficiaries with

1 navigating complaint and dispute resolution mechanisms and to
2 identify problems in the demonstrations and in the complaint and
3 dispute resolution mechanisms.

4 Sec. 1782. Subject to federal approval, from funds
5 appropriated in part 1 for health plan services, the department
6 shall allocate \$500,000.00 general fund/general purpose plus any
7 available work project funds and federal match to the Medicaid
8 health plans through a capitation rate increase for children. This
9 rate increase shall be used to support a statewide media campaign
10 for improving this state's immunization rates.

11 Sec. 1800. For the distribution of each of the pools within
12 the \$85,000,000.00 outpatient disproportionate share hospital
13 payment, the department shall develop a formula for the
14 distribution of each pool based on the quality of care, cost,
15 traditional disproportionate share hospital factors such as
16 Medicaid utilization and uncompensated care, and any other factor
17 that the department determines should be considered.

18 Sec. 1801. (1) From funds appropriated in part 1 for physician
19 services and health plan services, the department shall continue
20 the increase to Medicaid rates for primary care services provided
21 only by primary care providers. For the purpose of this section, a
22 primary care provider is a physician, or a practitioner working
23 under the personal supervision of a physician, who is board-
24 eligible or certified with a specialty designation of family
25 medicine, general internal medicine, or pediatric medicine, or a
26 provider who provides the department with documentation of
27 equivalency. Providers performing a service and whose primary

1 practice is as a non-primary-care subspecialty is not eligible for
2 the increase. The department shall establish policies that most
3 effectively limit the increase to primary care providers for
4 primary care services only.

5 (2) The department shall report by March 1 of the current
6 fiscal year to the senate and house subcommittees on the department
7 budget, the senate and house fiscal agencies, the senate and house
8 policy offices, and the state budget office the following:

9 (a) A list of medical specialties and licensed providers that
10 were paid enhanced primary care rates in fiscal year 2014-2015.

11 (b) Information on the geographic distribution of specialists
12 who received enhanced rates in fiscal year 2014-2015.

13 Sec. 1802. From funds appropriated in part 1, a lump-sum
14 payment shall be made to hospitals that qualified for rural
15 hospital access payments in fiscal year 2013-2014 and that provide
16 obstetrical care in the current fiscal year. The payment shall be
17 calculated as \$830.00 for each obstetrical care case payment and
18 each newborn care case payment for all such cases billed by the
19 qualified hospitals for fiscal year 2012-2013 and shall be paid
20 through the Medicaid health plan hospital rate adjustment process
21 by January 1 of the current fiscal year.

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

27 Sec. 1805. Hospitals receiving medical services payments for

graduate medical education shall submit fully completed quality data to a nonprofit organization with extensive experience in collecting and reporting hospital quality data on a public website. The reporting must utilize consensus-based nationally endorsed standards that meet National Quality Forum-endorsed safe practices. The organization collecting the data must be an organization that uses severity-adjusted risk models and measures that will help patients and payers identify hospital campuses likely to have superior outcomes. The public website shall provide information to allow consumers to compare safe practices by hospital campus, including, but not limited to, perinatal care, hospital-acquired infection, and serious reportable events. Hospitals receiving medical services payments for graduate medical education shall also make their fully completed quality data available on the hospital's website. The department shall withhold 25% of a hospital's graduate medical education payment if the hospital does not submit the data to a qualifying nonprofit organization described in this section by January 1 of the current fiscal year.

Sec. 1809. The department shall establish separate contract performance standards for Medicaid health plans that adhere to the requirements of section 105d of the social welfare act, 1939 PA 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation withhold. The determination of the performance of the 0.75% capitation withhold is at the discretion of the department but must include recognized concepts such as 1-year continuous enrollment and the HEDIS audited data. The determination of the performance of the 0.25% capitation withhold is at the discretion of the

1 department but must include the utilization of high-value services
2 and discouraging the utilization of low-value services.

3 Sec. 1810. The department shall enhance encounter data
4 reporting processes and develop rules that would make each health
5 plan's encounter data as complete as possible, provide a fair
6 measure of acuity for each health plan's enrolled population for
7 risk adjustment purposes, capitation rate setting, diagnosis-
8 related group rate setting, and research and analysis of program
9 efficiencies while minimizing health plan administrative expense.
10 Before final rate certification, the department shall identify any
11 encounter data that has not been accepted for purposes of rate
12 setting for each contracting Medicaid health plan.

13 Sec. 1812. By June 1 of the current fiscal year, and using the
14 most recent available cost reports, the department shall complete a
15 report of all direct and indirect costs associated with residency
16 training programs for each hospital that receives funds
17 appropriated in part 1 for graduate medical education. The report
18 shall be submitted to the house and senate appropriations
19 subcommittees on the department budget, the house and senate fiscal
20 agencies, and the state budget office.

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

27 (2) The department shall continue to comply with state and

1 federal law and shall not initiate an action that negatively
2 impacts beneficiary safety.

3 (3) As used in this section, "national accrediting entity"
4 means the National Committee for Quality Assurance, the URAC,
5 formerly known as the Utilization Review Accreditation Commission,
6 or other appropriate entity, as approved by the department.

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

12 Sec. 1837. The department shall continue, and expand where
13 appropriate, utilization of telemedicine and telepsychiatry as
14 strategies to increase access to services for Medicaid recipients
15 in medically underserved areas.

16 Sec. 1846. From funds appropriated in part 1 for graduate
17 medical education, the department shall distribute the funds with
18 an emphasis on the following health care workforce goals:

19 (a) The encouragement of the training of physicians in
20 specialties, including primary care, that are necessary to meet the
21 future needs of residents of this state.

22 (b) The training of physicians in settings that include
23 ambulatory sites and rural locations.

24 Sec. 1850. The department may allow Medicaid health plans to
25 assist with the redetermination process through outreach activities
26 to ensure continuation of Medicaid eligibility and enrollment in
27 managed care. This may include mailings, telephone contact, or

1 face-to-face contact with beneficiaries enrolled in the individual
2 Medicaid health plan. Health plans may offer assistance in
3 completing paperwork for beneficiaries enrolled in their plan.

4 Sec. 1851. From funds appropriated in part 1 for adult home
5 help services, the department shall allocate \$150,000.00 state
6 general fund/general purpose revenue plus any associated federal
7 match to develop and deploy a mobile electronic visit verification
8 solution that shall include biometric identity verification to
9 create administrative efficiencies, reduce error, and minimize
10 fraud. The development of the solution shall be predicated on input
11 from the results of the 2017 stakeholder survey.

12 Sec. 1852. The department shall implement a pilot program
13 requiring individuals receiving home- and community-based services
14 through the Medicaid fee-for-service program in Wayne, Macomb,
15 Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and
16 Van Buren Counties, and the Upper Peninsula, to transition to a
17 long-term service and support program administered by an integrated
18 care organization. The pilot program shall include all of the
19 following:

20 (a) A continuity of care protocol that will maintain a
21 member's existing person-centered care plan for a minimum of 60
22 days and require integrated care organizations to contract with
23 providers at the current Medicaid rate.

24 (b) A single point of contact for each member to coordinate
25 all services and necessary care.

26 (c) Auto-assignment of members for integrated care
27 organizations active within a member's region of service.

1 (d) An external, independent appeals process for member
2 grievances.

3 (e) Rate structure based on member acuity and residential
4 setting.

5 (f) Development of outcome measures to ensure that members are
6 receiving necessary functional support measures and necessary
7 medical support measures and maintaining a satisfactory quality of
8 life.

9 Sec. 1853. It is the intent of the legislature that, as the
10 department achieves compliance with CMS home- and community-based
11 services (HCBS) final rule, the department shall do all of the
12 following:

13 (a) By January 1 of the current fiscal year, provide the
14 senate and house appropriations subcommittees on the department
15 budget, the senate and house fiscal agencies, and the state budget
16 office the department's compliance guidelines and plan to ensure
17 fidelity with the rule's intent that HCBS beneficiaries have the
18 opportunity to receive services in a manner that protects
19 individual choice and promotes community integration.

20 (b) Before final implementation of the rule, the department
21 shall submit to the senate and house appropriations subcommittees
22 on the department budget, the senate and house fiscal agencies, and
23 the state budget office a report detailing the potential fiscal
24 impact related to HCBS compliance.

25 (c) Before final implementation of the rule, the department
26 shall solicit public comment on the impact of HCBS compliance,
27 including, but not limited to, a public forum, and submit the

1 public comments to the senate and house appropriations
2 subcommittees on the department budget, the senate and house fiscal
3 agencies, and the state budget office.

4 Sec. 1854. It is the intent of the legislature that the
5 department neither establish nor collect a quality assurance
6 assessment on an ambulance provider or agency.

7 Sec. 1855. From funds appropriated in part 1 for program of
8 all-inclusive care for the elderly (PACE), to the extent that
9 funding is available in the PACE line item and unused program slots
10 are available, the department may do the following:

11 (a) Increase the number of slots for an already-established
12 local PACE program if the local PACE program has provided
13 appropriate documentation to the department indicating its ability
14 to expand capacity to provide services to additional PACE clients.

15 (b) Suspend the 10 member per month individual PACE program
16 enrollment increase cap in order to allow unused and unobligated
17 slots to be allocated to address unmet demand for PACE services.

18 Sec. 1856. (1) The funds appropriated in part 1 for hospice
19 services shall be expended to provide room and board for Medicaid
20 recipients who meet hospice eligibility requirements and receive
21 services at Medicaid enrolled hospice residences in this state. The
22 qualifying hospice residences must have been enrolled with Medicaid
23 by October 1, 2014.

24 (2) By September 15 of the current fiscal year, qualifying
25 hospice residences receiving funds under this section shall submit
26 to the department, the senate and house appropriations
27 subcommittees on the department budget, the senate and house fiscal

1 agencies, and the state budget office a report that includes, but
2 is not limited to, all of the following:

3 (a) The number of patients served.

4 (b) The number of days served.

5 (c) The total cost of services provided.

6 (d) The per patient cost of services provided.

7 (e) The number of patients who did not receive care.

8 (3) At the end of the current fiscal year, any unexpended
9 funds shall lapse back to the general fund.

10 Sec. 1857. By July 1 of the current fiscal year, the
11 department shall explore the implementation of a managed care long-
12 term support service.

13 Sec. 1858. By April 1 of the current fiscal year, the
14 department shall report to the senate and house subcommittees on
15 the department budget and the senate and house fiscal agencies on
16 all of the following elements related to the current Medicaid
17 pharmacy carve-out of pharmaceutical products as provided for in
18 section 109h of the social welfare act, 1939 PA 280, MCL 400.109h:

19 (a) The number of prescriptions paid by the department during
20 the previous fiscal year and for the fiscal year ending September
21 30, 2016.

22 (b) The total amount of expenditures for prescriptions paid by
23 the department during the previous fiscal year and for the fiscal
24 year ending September 30, 2016.

25 (c) The total amount of rebates provided by the pharmaceutical
26 manufacturer for prescriptions paid by the department during the
27 previous fiscal year and for the fiscal year ending September 30,

Senate Bill No. 135 as amended May 3, 2017

1 2016.

2 (d) The number of and total expenditures for prescriptions
3 paid for by the department for generic equivalents during the
4 previous fiscal year and for the fiscal year ending September 30,
5 2016.

6 Sec. 1859. The department shall partner with the Michigan
7 Association of Health Plans (MAHP) <<and Medicaid health plans>> to
develop and implement
8 strategies for the use of information technology services for
9 Medicaid research activities. The department shall make available
10 state medical assistance program data, including Medicaid
11 behavioral data, without charge, to MAHP <<and Medicaid health plans>>
or any vendor considered
12 qualified by the department for the purpose of research activities
13 consistent with this state's goals of improving health; increasing
14 the quality, reliability, availability, and continuity of care; and
15 reducing the cost of care for the eligible population of Medicaid
16 recipients.

17 Sec. 1860. By March 1 of the current fiscal year, the
18 department shall provide a report to the senate and house
19 appropriations subcommittees, the senate and house fiscal agencies,
20 and the state budget office on uncollected co-pays and deductibles
21 in the Healthy Michigan plan. The report shall include information
22 on the number of participants who have not paid their co-pays and
23 deductibles, the total amount of uncollected co-pays and
24 deductibles, and steps taken by the department and health plans to
25 ensure greater collection of co-pays and deductibles.

26 Sec. 1861. From funds appropriated in part 1 for
27 transportation services, the department may increase the number of

1 counties where a contracted broker administers the Medicaid non-
2 emergency transportation benefit. The purpose of this expansion is
3 to improve enrollee access to care, reduce the number of missed
4 physician appointments by Medicaid enrollees, and reduce time spent
5 by caseworkers facilitating non-emergency transportation for
6 Medicaid enrollees. Performance goals include a 20% increase in
7 broker-administered trips, a reduction in the rate of trips
8 reported as missed to no more than 0.5%, and the successful
9 collection of data on program utilization, access, and beneficiary
10 satisfaction.

11 Sec. 1862. From funds appropriated in part 1, the department
12 shall maintain payment rates for Medicaid obstetrical services at
13 95% of Medicare levels effective October 1, 2014.

14 Sec. 1863. From funds appropriated in part 1, the department
15 shall allocate \$100.00 to increase the Medicaid payment rates for
16 neonatal and newborn services to no more than 75% of the Medicare
17 rate received for those services in effect on the date the services
18 are provided to eligible Medicaid recipients.

19 Sec. 1866. (1) From funds appropriated in part 1 for hospital
20 services and therapy and health plan services, \$12,000,000.00 in
21 general fund/general purpose revenue and any associated federal
22 match shall be awarded to hospitals that meet criteria established
23 by the department for services to low-income rural residents. One
24 of the reimbursement components of the distribution formula shall
25 be assistance with labor and delivery services.

26 (2) No hospital or hospital system shall receive more than
27 10.0% of the total funding referenced in subsection (1).

1 (3) To allow hospitals to understand their rural payment
2 amounts under this section, the department shall provide hospitals
3 with the methodology for distribution under this section and
4 provide each hospital with its applicable data that are used to
5 determine the payment amounts by August 1 of the current fiscal
6 year. The department shall publish the distribution of payments for
7 the current fiscal year and the immediately preceding fiscal year.

8 Sec. 1870. The department shall continue to work with the
9 MiDocs consortium to explore alternative graduate medical education
10 financing sources and mechanisms that expand residency
11 opportunities for primary care training, per approval from CMS. By
12 December 1 of the current fiscal year, the MiDocs consortium shall
13 submit a report presenting a comprehensive funding plan to the
14 senate and house appropriations subcommittees on the department
15 budget and the senate and house fiscal agencies.

16 Sec. 1873. From funds appropriated in part 1 for long-term
17 care services, the department may allocate up to \$3,700,000.00 for
18 the purpose of outreach and education to nursing home residents and
19 the coordination of housing in order to move out of the facility.
20 In addition, any funds appropriated shall be used for other quality
21 improvement activities of the program. The department shall
22 consider working with the Area Agencies on Aging Association of
23 Michigan, the non-Area Agencies on Aging waivers, and the
24 Disability Network/Michigan to develop a plan for the ongoing
25 sustainability of the nursing facility transition initiative.

26 Sec. 1874. The department shall ensure, in counties where
27 program of all-inclusive care for the elderly or PACE services are

1 available, that the program of all-inclusive care for the elderly
2 (PACE) is included as an option in all options counseling and
3 enrollment brokering for aging services and managed care programs,
4 including, but not limited to, Area Agencies on Aging, centers for
5 independent living, and the MiChoice home and community-based
6 waiver. Such options counseling must include approved marketing and
7 discussion materials.

8 Sec. 1875. (1) The department and its contractual agents may
9 not subject Medicaid prescriptions to prior authorization
10 procedures during the current fiscal year if that drug is carved
11 out or is not subject to prior authorization procedures as of May
12 9, 2016, and is generally recognized in a standard medical
13 reference or the American Psychiatric Association's Diagnostic and
14 Statistical Manual for the Treatment of a Psychiatric Disorder.

15 (2) The department and its contractual agents may not subject
16 Medicaid prescriptions to prior authorization procedures during the
17 current fiscal year if that drug is carved out or is not subject to
18 prior authorization procedures as of May 9, 2016 and is a
19 prescription drug that is generally recognized in a standard
20 medical reference for the treatment of epilepsy or seizure disorder
21 or organ replacement therapy.

22 (3) As used in this section, "prior authorization" means a
23 process implemented by the department or its contractual agents
24 that conditions, delays, or denies delivery or particular pharmacy
25 services to Medicaid beneficiaries upon application of
26 predetermined criteria by the department or its contractual agents
27 to those pharmacy services. The process of prior authorization

1 often requires that a prescriber do 1 or both of the following:

2 (a) Obtain preapproval from the department or its contractual
3 agents before prescribing a given drug.

4 (b) Verify to the department or its contractual agents that
5 the use of a drug prescribed for an individual meets predetermined
6 criteria from the department or its contractual agents for a
7 prescription drug that is otherwise available under the Medicaid
8 program in this state.

9 Sec. 1876. (1) From funds appropriated in part 1 for Healthy
10 Michigan plan, the department shall allocate up to \$830,000.00 to
11 facilitate the development and implementation of a demonstration
12 project in cooperation with 1 or more contracting Medicaid health
13 plans. These provisions shall be part of the protocol for
14 implementation of incentives under the Healthy Michigan plan and
15 must do all of the following:

16 (a) Target Healthy Michigan plan health plan enrollees who are
17 above 100% of the federal poverty level, in at least 2 prosperity
18 regions.

19 (b) Implement a web-based technology that links providers,
20 beneficiaries, and health plans, in real-time, for the purpose of
21 addressing deficiency in medical literacy and demonstrating that
22 personal responsibility is enhanced by technology.

23 (c) Identify specific behavioral changes that will result as
24 indicated by changes in measurable health outcomes and health care
25 utilization.

26 (2) The demonstration project shall be implemented by April 1
27 of the current fiscal year. Prior to implementation, the department

1 shall present a summary description to the senate and house
2 appropriations subcommittees on the department budget and the
3 senate and house committees on health policy that must include the
4 estimated cost of the demonstration project, identify a shared
5 savings proposal for Medicaid health plans who participate in the
6 demonstration project, and identify intended measurable results.

7 (3) It is the intent of the legislature that the demonstration
8 project shall test the cost containment capabilities of a program
9 that uses financial incentives to improve health and health care by
10 promoting health literacy and doctor-patient mutual accountability.
11 Outcomes and performance measures for this initiative shall
12 include, but are not limited to, the following:

13 (a) The total annual per capita or per-member-per-year health
14 care expenditures. This metric shall be derived by dividing the
15 total annual health care expenditures of a population by the
16 average annual number of people in that population. Claims data
17 shall be used to compute health care expenditures.

18 (b) The per-member-per-year health care expenditures of a
19 reasonably matched population not covered by the demonstration
20 project. To account for minor differences in the 2 populations,
21 each group's annual trend during the pilot shall be measured
22 against their respective baseline trends in the year before
23 implementing the program.

24 (c) In order to attribute the finding to the program, other
25 process metrics that have been found to correlate with health
26 literacy must be analyzed. These metrics may include
27 hospitalization rates, frequency of emergency room use, and the

1 percentage of health education sessions prescribed by medical
2 providers and successfully completed by patients relative to the
3 total number of possible session opportunities offered through the
4 program.

5 (4) It is the intent of the legislature that, beginning with
6 the budget for the fiscal year ending September 30, 2018, the
7 department shall submit quarterly reports to the senate and house
8 appropriations committees on the department budget, the senate and
9 house fiscal agencies, the senate and house policy offices, and the
10 state budget office detailing the information required in
11 subsection (3).

12 Sec. 1877. By March 1 of the current fiscal year, the
13 department shall evaluate and provide a report to the house and
14 senate appropriations subcommittees on the department budget on how
15 the Healthy Michigan plan has contributed to assisting individuals
16 in utilizing high-value services, minimized the use of low-value
17 services, and how individuals' lives may be improving as a result
18 of their access to services provided through the Healthy Michigan
19 plan.

20 Sec. 1878. By March 1 of the current fiscal year, the
21 department shall provide a report to the senate and house
22 appropriations subcommittees on the department budget, the senate
23 and house fiscal agencies, the senate and house policy offices, and
24 the state budget office on hepatitis C tracking data. At a minimum,
25 the report shall include information on the following for
26 individuals treated with Harvoni or any other treatment used to
27 cure hepatitis C during the current fiscal year or a previous

1 fiscal year:

2 (a) The total number of people treated broken down by those
3 treated through traditional Medicaid and those treated through the
4 Healthy Michigan plan.

5 (b) The total cost of treatment.

6 (c) The total cost of treatment broken down by those treated
7 through traditional Medicaid and those treated through the Healthy
8 Michigan plan.

9 (d) The total amount of any rebates that were received from
10 the purchase of hepatitis C specialty pharmaceuticals.

11 (e) Outstanding rebates that the department is expecting to
12 receive.

13 (f) The cure rate broken down by Metavir Score, genotype,
14 Medicaid match rate, and drug used during treatment.

15 (g) The reinfection rate broken down by Metavir Score,
16 genotype, Medicaid match rate, and drug used during treatment.

17 Sec. 1882. By December 31, 2017, the department shall report
18 to the senate and house appropriations subcommittees on the
19 department budget, the senate and house fiscal agencies, and the
20 state budget office, documentation of the expenses incurred during
21 the immediate preceding fiscal year by Medicaid health plans and
22 PIHPs for the purpose of meeting the contractual requirements to
23 join the Michigan Health Information Network Shared Services and
24 incentivizing providers to become members of the Health Information
25 Exchange Qualified Organization. The report should also include an
26 estimation of the expenses to be incurred in the current fiscal
27 year by Medicaid health plans and PIHPs for the same purpose of

1 meeting their contractual obligations.

2 Sec. 1888. The department shall establish contract performance
3 standards associated with the capitation withhold provisions for
4 Medicaid health plans at least 3 months in advance of the
5 implementation of those standards. The determination of whether
6 performance standards have been met shall be based primarily on
7 recognized concepts such as 1-year continuous enrollment and the
8 healthcare effectiveness data and information set, HEDIS, audited
9 data.

10 Sec. 1894. (1) From funds appropriated in part 1 for dental
11 services, the department shall maintain the expansion of the
12 Healthy Kids Dental program to all eligible children in this state.
13 This program expansion will improve access to necessary dental
14 services for Medicaid-enrolled children.

15 (2) Outcomes and performance measures for this initiative
16 include, but are not limited to, the following:

17 (a) The number of Medicaid-enrolled children who visited the
18 dentist over the prior year.

19 (b) The number of dentists who will accept Medicaid payment
20 for services to children.

21 (c) The change in dental utilization before and after full
22 implementation of the Healthy Kids Dental expansion in these
23 counties.

24 Sec. 1899. From funds appropriated in part 1 for personal care
25 services, the department shall maintain the \$15.00 per month
26 increase in the Medicaid personal care supplement paid to adult
27 foster care facilities and homes for the aged that was implemented

1 in the previous fiscal year.

2 **INFORMATION TECHNOLOGY**

3 Sec. 1901. (1) By December 1 of the current fiscal year, the
4 department shall report to the senate and house appropriations
5 subcommittees on the department budget, the senate and house fiscal
6 agencies, the senate and house policy offices, and the state budget
7 office all of the following information:

8 (a) The process used to define requests for proposals for each
9 expansion of information technology projects, including timelines,
10 project milestones, and intended outcomes.

11 (b) If the department decides not to contract the services out
12 to design and implement each element of the information technology
13 expansion, the department shall submit its own project plan that
14 includes, at a minimum, the requirements in subdivision (a).

15 (c) A recommended project management plan with milestones and
16 time frames.

17 (d) The proposed benefits from implementing the information
18 technology expansion, including customer service improvement, form
19 reductions, potential time savings, caseload reduction, and return
20 on investment.

21 (2) Once an award for an expansion of information technology
22 is made, the department shall report to the senate and house
23 appropriations subcommittees on the department budget, the senate
24 and house fiscal agencies, the senate and house policy offices, and
25 the state budget office a projected cost of the expansion broken
26 down by use and type of expense.

1 Sec. 1903. From funds appropriated in part 1 for the Michigan
2 Medicaid information system (MMIS) line item, private revenue may
3 be received from and allocated for other states interested in
4 participating as part of the broader MMIS initiative. By March 1 of
5 the current fiscal year, the department shall provide a report on
6 the use of MMIS by other states for the previous fiscal year,
7 including a list of states, type of use, and revenue and
8 expenditures related to the agreements with the other states to use
9 the MMIS. The report shall be provided to the house and senate
10 appropriations subcommittees on the department budget, the house
11 and senate fiscal agencies, and the state budget office.

12 Sec. 1904. (1) The department shall report to the senate and
13 house appropriations subcommittees on the department budget, the
14 senate and house fiscal agencies, the senate and house policy
15 offices, and the state budget office by November 1 of the current
16 fiscal year an implementation plan regarding the appropriation in
17 part 1 to implement the MiSACWIS. The plan shall include, but not
18 be limited to, efforts to bring the system in compliance with the
19 settlement and other federal guidelines set forth by the United
20 States Department of Health and Human Services Administration for
21 Children and Families.

22 (2) The department shall report to the senate and house
23 appropriations subcommittees on the department budget, the senate
24 and house fiscal agencies, the senate and house policy offices, and
25 the state budget office by November 1 of the current fiscal year a
26 status report on the planning, implementation, and operation,
27 regardless of the current operational status, regarding the

1 appropriation in part 1 to implement the MiSACWIS. The report shall
2 provide details on the planning, implementation, and operation of
3 the system, including, but not limited to, all of the following:

4 (a) Areas where implementation went as planned.

5 (b) The number of known issues.

6 (c) The average number of help tickets submitted per day.

7 (d) Any additional overtime or other staffing costs to address
8 known issues and volume of help tickets.

9 (e) Any contract revisions to address known issues and volume
10 of help tickets.

11 (f) Other strategies undertaken to improve implementation.

12 (g) Progress developing cross-system trusted data exchange
13 with MiSACWIS.

14 (h) Progress in moving away from a statewide/tribal automated
15 child welfare information system (SACWIS/TACWIS) to a comprehensive
16 child welfare information system (CCWIS).

17 (i) Progress developing and implementing a program to monitor
18 data quality.

19 (j) Progress developing and implementing custom integrated
20 systems for private agencies and tribal governments.

21 **ONE-TIME BASIS ONLY APPROPRIATIONS**

22 Sec. 1905. From funds appropriated in part 1 for the drinking
23 water declaration of emergency, the department shall allocate funds
24 to address needs in a city in which a declaration of emergency was
25 issued because of drinking water contamination. These funds may
26 support, but are not limited to, the following activities:

1 (a) Nutrition assistance, nutritional and community education,
2 food bank resources, and food inspections.

3 (b) Epidemiological analysis and case management of
4 individuals at risk of elevated blood lead levels.

5 (c) Support for child and adolescent health centers,
6 children's healthcare access program, and pathways to potential
7 programming.

8 (d) Nursing services, breastfeeding education efforts,
9 evidence-based home visiting programs, intensive services, and
10 outreach for children exposed to lead coordinated through local
11 community mental health organizations.

12 (e) Department field operations costs.

13 (f) Lead poisoning surveillance, treatment, and abatement.

14 (g) Nutritional incentives provided to local residents through
15 the Double Up Food Bucks Expansion Program.

16 (h) Genesee County health department food inspectors to
17 perform water testing at local food service establishments.

18 Sec. 1906. (1) From funds appropriated in part 1 for
19 university autism programs, the department shall continue a grant
20 process for autism programs. These grants are intended to increase
21 the number of applied behavioral analysts, increase the number of
22 autism diagnostic services provided, or increase employment of
23 individuals who are diagnosed with autism spectrum disorder.

24 (2) As a condition of accepting the grants described in
25 subsection (1), each university shall track and report back to the
26 department where the individuals who have completed the applied
27 behavioral analysis training are initially employed and the

1 location of the initial employment.

2 (3) Outcomes and performance measures related to this
3 initiative include, but are not limited to, the following:

4 (a) An increase in applied behavioral analysts certified from
5 university autism programs.

6 (b) The number of autism diagnostic services provided.

7 (c) The employment rate of employment program participants.

8 (d) The employment rate of applied behavioral analysts trained
9 through the university autism programs.

10 Sec. 1907. From funds provided in part 1 for prenatal
11 diagnosis clearinghouse website, the department shall allocate
12 \$150,000.00 to develop or contract to develop a website providing
13 information regarding prenataally diagnosed conditions consistent
14 with the requirements in section 21418 of the public health code,
15 1978 PA 368, MCL 333.21418.

16 PART 2A

17 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

18 FOR FISCAL YEAR 2018-2019

19 GENERAL SECTIONS

20 Sec. 2001. It is the intent of the legislature to provide
21 appropriations for the fiscal year ending on September 30, 2019 for
22 the line items listed in part 1. The fiscal year 2018-2019
23 appropriations are anticipated to be the same as those for fiscal
24 year 2017-2018, except that the line items will be adjusted for
25 changes in caseload and related costs, federal fund match rates,

1 economic factors, and available revenue. These adjustments will be
2 determined after the January 2018 consensus revenue estimating
3 conference.