

HOUSE BILL No. 5815

EXECUTIVE BUDGET BILL

February 26, 2008, Introduced by Rep. McDowell and referred to the Committee on Appropriations.

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill,
the amounts listed in this part are appropriated for the department

1 of community health for the fiscal year ending September 30, 2009,
 2 from the funds indicated in this part. The following is a summary
 3 of the appropriations in this part:

4 **DEPARTMENT OF COMMUNITY HEALTH**

5 APPROPRIATION SUMMARY:

6	Full-time equated unclassified positions.....	6.0	
7	Full-time equated classified positions.....	4,596.7	
8	Average population	970.4	
9	GROSS APPROPRIATION.....		\$ 12,485,130,400
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers		40,883,900
13	ADJUSTED GROSS APPROPRIATION.....		\$ 12,444,246,500
14	Federal revenues:		
15	Total federal revenues.....		7,159,187,100
16	Special revenue funds:		
17	Total local revenues.....		241,980,600
18	Total private revenues.....		66,686,800
19	Merit award trust fund.....		98,700,000
20	Total other state restricted revenues.....		1,791,586,200
21	State general fund/general purpose.....		\$ 3,086,105,800
22	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
23	Full-time equated unclassified positions.....	6.0	
24	Full-time equated classified positions.....	206.2	
25	Director and other unclassified--6.0 FTE positions ...		\$ 598,600
26	Departmental administration and management--171.2 FTE		
27	positions		21,908,000

1	Internal audit consolidation.....	759,000
2	Office of long-term care supports and services--25.0	
3	FTE positions	3,882,000
4	Worker's compensation program.....	8,911,000
5	Rent and building occupancy.....	10,535,000
6	Developmental disabilities council and projects--10.0	
7	FTE positions	<u>2,774,500</u>
8	GROSS APPROPRIATION.....	\$ 49,368,100
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	15,418,800
12	Special revenue funds:	
13	Total private revenues.....	76,000
14	Total other state restricted revenues.....	3,242,700
15	State general fund/general purpose.....	\$ 30,630,600
16	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
17	ADMINISTRATION AND SPECIAL PROJECTS	
18	Full-time equated classified positions..... 109.0	
19	Mental health/substance abuse program administration--	
20	108.0 FTE positions	\$ 13,276,500
21	Consumer involvement program.....	189,100
22	Gambling addiction--1.0 FTE position.....	3,000,000
23	Protection and advocacy services support	777,400
24	Mental health initiatives for older persons	1,291,200
25	Community residential and support services	2,514,600
26	Highway safety projects.....	400,000
27	Federal and other special projects	3,547,200

1	Family support subsidy.....	18,599,200
2	Housing and support services.....	<u>9,306,800</u>
3	GROSS APPROPRIATION.....	\$ 52,902,000
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	35,041,800
7	Special revenue funds:	
8	Total private revenues.....	190,000
9	Total other state restricted revenues.....	3,000,000
10	State general fund/general purpose.....	\$ 14,670,200
11	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE	
12	SERVICES PROGRAMS	
13	Full-time equated classified positions.....	9.5
14	Medicaid mental health services.....	\$ 1,786,945,200
15	Community mental health non-Medicaid services.....	314,199,700
16	Medicaid adult benefits waiver.....	40,000,000
17	Multicultural services.....	5,763,800
18	Medicaid substance abuse services.....	37,192,800
19	Respite services.....	1,000,000
20	CMHSP, purchase of state services contracts.....	134,605,300
21	Civil service charges.....	1,499,300
22	Federal mental health block grant--2.5 FTE positions.	15,368,300
23	State disability assistance program substance abuse	
24	services	2,509,800
25	Community substance abuse prevention, education, and	
26	treatment programs	84,968,000
27	Children's waiver home care program.....	19,549,800

1	Nursing home PAS/ARR-OBRA--7.0 FTE positions	12,150,400
2	Mental health court pilot programs	2,253,800
3	Children with serious emotional disturbance waiver ...	<u>570,000</u>
4	GROSS APPROPRIATION	\$ 2,458,576,200
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues	1,231,201,100
8	Special revenue funds:	
9	Total local revenues	25,228,900
10	Total other state restricted revenues	102,111,800
11	State general fund/general purpose	\$ 1,100,034,400
12	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
13	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC	
14	AND PRISON MENTAL HEALTH SERVICES	
15	Total average population	970.4
16	Full-time equated classified positions	2,818.7
17	Caro regional mental health center - psychiatric	
18	hospital - adult--404.0 FTE positions	\$ 44,236,200
19	Average population	158.0
20	Kalamazoo psychiatric hospital - adult--431.5 FTE	
21	positions	42,646,000
22	Average population	167.6
23	Walter P. Reuther psychiatric hospital - adult--444.2	
24	FTE positions	45,533,500
25	Average population	238.8
26	Hawthorn center - psychiatric hospital - children and	
27	Adolescents--250.8 FTE positions	22,749,700

1	Average population	78.6	
2	Mount Pleasant center - developmental disabilities--		
3	393.3 FTE positions		43,198,700
4	Average population	117.4	
5	Center for forensic psychiatry--578.6 FTE positions ..		60,482,600
6	Average population	210.0	
7	Forensic mental health services provided to the		
8	department of corrections--316.3 FTE positions.....		39,344,800
9	Revenue recapture.....		750,000
10	IDEA, federal special education.....		120,000
11	Special maintenance and equipment.....		335,300
12	Purchase of medical services for residents of		
13	hospitals and centers		1,045,600
14	Closed site, transition, and related costs.....		100
15	Severance pay.....		216,900
16	Gifts and bequests for patient living and treatment		
17	environment		<u>1,000,000</u>
18	GROSS APPROPRIATION.....	\$	301,659,400
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	Interdepartmental grant from the department of		
22	corrections		39,344,800
23	Federal revenues:		
24	Total federal revenues.....		38,400,900
25	Special revenue funds:		
26	CMHSP, purchase of state services contracts.....		134,605,300
27	Other local revenues.....		16,811,700

1	Total private revenues.....	1,000,000
2	Total other state restricted revenues.....	14,736,500
3	State general fund/general purpose.....	\$ 56,760,200
4	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
5	Full-time equated classified positions.....	99.7
6	Public health administration--8.3 FTE positions.....	\$ 2,212,300
7	Minority health grants and contracts--3.0 FTE	
8	positions	1,493,200
9	Promotion of healthy behaviors.....	1,700,000
10	Vital records and health statistics--88.4 FTE	
11	positions	<u>11,199,800</u>
12	GROSS APPROPRIATION.....	\$ 16,605,300
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	Interdepartmental grant from the department of human	
16	services	981,600
17	Federal revenues:	
18	Total federal revenues.....	6,018,400
19	Special revenue funds:	
20	Total private revenues.....	2,000,000
21	Total other state restricted revenues.....	6,001,100
22	State general fund/general purpose.....	\$ 1,604,200
23	Sec. 107. HEALTH POLICY, REGULATION, AND	
24	PROFESSIONS	
25	Full-time equated classified positions.....	403.6
26	Health systems administration--193.6 FTE positions...	\$ 22,959,800
27	Emergency medical services program state staff--8.5	

1	FTE positions	1,476,100
2	Radiological health administration--21.4 FTE positions	2,747,100
3	Emergency medical services grants and services	660,000
4	Health professions--130.0 FTE positions	24,107,700
5	Background check program--5.5 FTE positions	3,956,400
6	Health policy, regulation, and professions	
7	Administration--25.2 FTE positions.....	2,949,000
8	Nurse scholarship, education, and research program--	
9	3.0 FTE positions	990,900
10	Certificate of need program administration--14.0 FTE	
11	positions	1,775,100
12	Rural health services--1.0 FTE position.....	1,404,400
13	Michigan essential health provider.....	1,952,100
14	Primary care services--1.4 FTE positions	<u>4,166,700</u>
15	GROSS APPROPRIATION.....	\$ 69,145,300
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	Interdepartmental grant from the department of	
19	treasury, Michigan state hospital finance authority.	116,300
20	Federal revenues:	
21	Total federal revenues.....	26,015,300
22	Special revenue funds:	
23	Total local revenues.....	227,700
24	Total private revenues.....	455,000
25	Total other state restricted revenues.....	33,762,800
26	State general fund/general purpose	\$ 8,568,200
27	Sec. 108. INFECTIOUS DISEASE CONTROL	

1	Full-time equated classified positions.....	51.7	
2	AIDS prevention, testing, and care programs--12.7 FTE		
3	positions		\$ 38,468,200
4	Immunization local agreements.....		13,990,300
5	Immunization program management and field support--		
6	15.0 FTE positions		2,008,200
7	Pediatric AIDS prevention and control--1.0 FTE		
8	positions		1,225,200
9	Sexually transmitted disease control local agreements		4,093,700
10	Sexually transmitted disease control management and		
11	field support--23.0 FTE positions.....		<u>3,953,200</u>
12	GROSS APPROPRIATION.....		\$ 63,738,800
13	Appropriated from:		
14	Federal revenues:		
15	Total federal revenues.....		42,077,900
16	Special revenue funds:		
17	Total private revenues.....		7,997,900
18	Total other state restricted revenues.....		7,834,200
19	State general fund/general purpose.....		\$ 5,828,800
20	Sec. 109. LABORATORY SERVICES		
21	Full-time equated classified positions.....	123.0	
22	Bovine tuberculosis--1.0 FTE positions.....		\$ 200,400
23	Laboratory services--122.0 FTE positions.....		<u>19,212,000</u>
24	GROSS APPROPRIATION.....		\$ 19,412,400
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	Interdepartmental grant from the department of		

1	environmental quality	441,200
2	Federal revenues:	
3	Total federal revenues.....	2,799,400
4	Special revenue funds:	
5	Total other state restricted revenues.....	8,343,200
6	State general fund/general purpose.....	\$ 7,828,600
7	Sec. 110. EPIDEMIOLOGY	
8	Full-time equated classified positions..... 129.4	
9	AIDS surveillance and prevention program.....	\$ 2,254,100
10	Asthma prevention and control--2.6 FTE positions	1,065,100
11	Bioterrorism preparedness--68.6 FTE positions	50,369,400
12	Epidemiology administration--41.7 FTE positions	7,111,000
13	Lead abatement program--7.0 FTE positions	2,177,800
14	Methamphetamine cleanup fund.....	100,000
15	Newborn screening follow-up and treatment services--	
16	9.5 FTE positions	4,534,500
17	Tuberculosis control and prevention.....	<u>867,000</u>
18	GROSS APPROPRIATION.....	\$ 68,478,900
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	59,411,300
22	Special revenue funds:	
23	Total private revenues.....	25,000
24	Total local revenues.....	500,000
25	Total other state restricted revenues.....	4,996,900
26	State general fund/general purpose.....	\$ 3,545,700
27	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	

1	Implementation of 1993 PA 133, MCL 333.17015	\$	50,000
2	Local health services		220,000
3	Local public health operations		40,618,400
4	Medicaid outreach cost reimbursement to local health		
5	departments		<u>9,000,000</u>
6	GROSS APPROPRIATION	\$	49,888,400
7	Appropriated from:		
8	Federal revenues:		
9	Total federal revenues		9,000,000
10	Special revenue funds:		
11	Total local revenues		5,150,000
12	Total other state restricted revenues		220,000
13	State general fund/general purpose	\$	35,518,400
14	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND		
15	HEALTH PROMOTION		
16	Full-time equated classified positions		70.3
17	African-American male health initiative	\$	106,700
18	AIDS and risk reduction clearinghouse and media		
19	campaign		1,351,000
20	Alzheimer's information network		389,500
21	Cancer prevention and control program--12.0 FTE		
22	positions		15,188,500
23	Chronic disease prevention--22.7 FTE positions		5,683,200
24	Diabetes and kidney program--12.2 FTE positions		4,002,200
25	Health education, promotion, and research programs--		
26	6.5 FTE positions		812,500
27	Injury control intervention project		104,500

1	Michigan Parkinson's foundation.....	50,000
2	Morris Hood Wayne State University diabetes outreach.	400,000
3	Physical fitness, nutrition, and health.....	700,000
4	Public health traffic safety coordination--1.0 FTE	
5	positions	356,400
6	Smoking prevention program--14.0 FTE positions	5,724,500
7	Tobacco tax collection and enforcement	610,000
8	Violence prevention--1.9 FTE positions	<u>1,889,800</u>
9	GROSS APPROPRIATION.....	\$ 37,368,800
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues.....	21,309,500
13	Special revenue funds:	
14	Total private revenues.....	146,600
15	Total other state restricted revenues	14,758,500
16	State general fund/general purpose	\$ 1,154,200
17	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
18	SERVICES	
19	Full-time equated classified positions.....	52.3
20	Childhood lead program--6.0 FTE positions	\$ 2,557,500
21	Dental programs.....	485,400
22	Dental program for persons with developmental	
23	disabilities	151,000
24	Early childhood collaborative secondary prevention...	524,000
25	Family, maternal, and children's health services	
26	administration--40.6 FTE positions.....	5,184,900
27	Family planning local agreements.....	9,793,800

1	Local MCH services.....	7,264,200
2	Migrant health care.....	272,200
3	Pregnancy prevention program.....	5,235,400
4	Prenatal care outreach and service delivery support ..	3,049,300
5	School health and education programs.....	500,000
6	Special projects--5.7 FTE positions.....	4,017,100
7	Sudden infant death syndrome program.....	<u>321,300</u>
8	GROSS APPROPRIATION.....	\$ 39,356,100
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	25,976,600
12	Special revenue funds:	
13	Total local revenues.....	75,000
14	Total other state restricted revenues.....	8,037,500
15	State general fund/general purpose.....	\$ 5,267,000
16	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND	
17	NUTRITION PROGRAM	
18	Full-time equated classified positions.....	43.0
19	Women, infants, and children program administration	
20	and special projects--43.0 FTE positions.....	\$ 8,955,100
21	Women, infants, and children program local agreements	
22	and food costs	<u>201,845,500</u>
23	GROSS APPROPRIATION.....	\$ 210,800,600
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	157,556,300
27	Special revenue funds:	

1	Total private revenues.....	53,244,300
2	State general fund/general purpose.....	\$ 0
3	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
4	Full-time equated classified positions.....	47.8
5	Children's special health care services	
6	administration--47.8 FTE positions.....	\$ 4,540,100
7	Amputee program.....	184,600
8	Bequests for care and services.....	1,514,600
9	Outreach and advocacy.....	3,773,500
10	Non-emergency medical transportation.....	1,492,200
11	Medical care and treatment.....	<u>200,288,000</u>
12	GROSS APPROPRIATION.....	\$ 211,793,000
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	108,246,600
16	Special revenue funds:	
17	Total private revenues.....	1,000,000
18	Total other state restricted revenues.....	2,295,300
19	State general fund/general purpose.....	\$ 100,251,100
20	Sec. 116. OFFICE OF DRUG CONTROL POLICY	
21	Full-time equated classified positions.....	15.0
22	Drug control policy--15.0 FTE positions.....	\$ 1,754,300
23	Anti-drug abuse grants.....	8,575,000
24	Interdepartmental grant to judiciary for drug	
25	treatment courts	<u>1,800,000</u>
26	GROSS APPROPRIATION.....	\$ 12,129,300
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	11,747,000
3	Special revenue funds:	
4	State general fund/general purpose.....	\$ 382,300
5	Sec. 117. CRIME VICTIM SERVICES COMMISSION	
6	Full-time equated classified positions.....	10.0
7	Grants administration services--10.0 FTE positions ...	\$ 1,395,000
8	Justice assistance grants.....	13,000,000
9	Crime victim rights services grants.....	11,000,000
10	Crime victim's rights fund revenue to Michigan state	
11	police	1,030,400
12	Crime victim's rights fund revenue to department of	
13	human services	<u>1,300,000</u>
14	GROSS APPROPRIATION.....	\$ 27,725,400
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues.....	15,050,500
18	Special revenue funds:	
19	Total other state restricted revenues.....	12,674,900
20	State general fund/general purpose.....	\$ 0
21	Sec. 118. OFFICE OF SERVICES TO THE AGING	
22	Full-time equated classified positions.....	36.5
23	Commission (per diem \$50.00)	\$ 10,500
24	Office of services to aging administration--36.5 FTE	
25	positions	5,366,400
26	Community services.....	35,444,200
27	Nutrition services.....	37,922,500

1	Foster grandparent volunteer program.....	2,813,500
2	Retired and senior volunteer program.....	790,200
3	Senior companion volunteer program.....	2,021,200
4	Employment assistance.....	3,213,300
5	Respite care program.....	<u>6,800,000</u>
6	GROSS APPROPRIATION.....	\$ 94,381,800
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	53,414,800
10	Special revenue funds:	
11	Total private revenues.....	152,000
12	Merit award trust fund.....	5,000,000
13	Total other state restricted revenues.....	1,967,000
14	State general fund/general purpose.....	\$ 33,848,000
15	Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN	
16	Michigan first healthcare plan.....	\$ <u>100,000,000</u>
17	GROSS APPROPRIATION.....	\$ 100,000,000
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	100,000,000
21	Special revenue funds:	
22	State general fund/general purpose.....	\$ 0
23	Sec. 120. MEDICAL SERVICES ADMINISTRATION	
24	Full-time equated classified positions.....	371.0
25	Medical services administration--371.0 FTE positions .	\$ 61,706,300
26	Facility inspection contract.....	132,800
27	MIChild administration.....	4,327,800

1	Health information technology initiatives	<u>5,000,000</u>
2	GROSS APPROPRIATION	\$ 71,166,900
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues	46,020,200
6	Special revenue funds:	
7	Total local revenues	5,000
8	Total other state restricted revenues	95,000
9	State general fund/general purpose	\$ 25,046,700
10	Sec. 121. MEDICAL SERVICES	
11	Hospital services and therapy	\$ 1,410,514,200
12	Hospital disproportionate share payments	45,000,000
13	Physician services	311,222,100
14	Medicare premium payments	347,246,400
15	Pharmaceutical services	266,484,200
16	Home health services	6,228,800
17	Hospice services	100,999,800
18	Transportation	11,198,200
19	Auxiliary medical services	10,439,100
20	Dental services	131,685,000
21	Ambulance services	13,147,200
22	Long-term care services	1,991,518,700
23	Single point of entry	14,724,200
24	Health plan services	3,018,727,400
25	MIChild program	38,654,300
26	Plan first family planning waiver	5,785,500
27	Medicaid adult benefits waiver	137,057,900

1	County indigent care and third share plans	88,518,500
2	Federal Medicare pharmaceutical program	178,055,800
3	Promotion of healthy behavior waiver	10,000,000
4	Maternal and child health	20,279,500
5	Social services to the physically disabled	1,344,900
6	Subtotal basic medical services program	8,158,831,700
7	School-based services	89,201,000
8	Special Medicaid reimbursement	230,206,200
9	Subtotal special medical services payments	<u>319,407,200</u>
10	GROSS APPROPRIATION	\$ 8,478,238,900
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues	5,117,682,300
14	Special revenue funds:	
15	Total local revenues	59,377,000
16	Total private revenues	400,000
17	Merit award trust fund	93,700,000
18	Total other state restricted revenues	1,563,906,700
19	State general fund/general purpose	\$ 1,643,172,900
20	Sec. 122. INFORMATION TECHNOLOGY	
21	Information technology services and projects	\$ 35,593,700
22	Michigan Medicaid information system	<u>16,801,100</u>
23	GROSS APPROPRIATION	\$ 52,394,800
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues	36,798,400
27	Special revenue funds:	

1	Total other state restricted revenues	3,602,100
2	State general fund/general purpose	\$ 11,994,300

3 PART 2

4 PROVISIONS CONCERNING APPROPRIATIONS

5 GENERAL SECTIONS

6 Sec. 201. Pursuant to section 30 of article IX of the state
 7 constitution of 1963, total state spending from state resources
 8 under part 1 for fiscal year 2008-2009 is \$4,976,392,000.00 and
 9 state spending from state resources to be paid to local units of
 10 government for fiscal year 2008-2009 is \$1,279,459,400.00. The
 11 itemized statement below identifies appropriations from which
 12 spending to local units of government will occur:

13 DEPARTMENT OF COMMUNITY HEALTH

14 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

15 AND SPECIAL PROJECTS

16	Community residential and support services	\$ 387,300
17	Housing and support services	695,500
18	Mental health initiatives for older persons	1,049,200

19 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

20	Children's waiver home care program	\$ 5,437,000
21	Community mental health non-Medicaid services	314,199,700
22	Community substance abuse prevention, education, and	
23	treatment programs	12,473,800
24	Medicaid adult benefits waiver	11,124,000
25	Medicaid mental health services	684,724,400

1	Medicaid substance abuse services.....		14,776,700
2	Mental health court pilot programs.....		2,253,800
3	Multicultural services.....		5,763,800
4	Nursing home PAS/ARR-OBRA.....		2,731,800
5	Respite services.....		1,000,000
6	State disability assistance program substance		
7	abuse services		2,509,800
8	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
9	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
10	MENTAL HEALTH SERVICES		
11	Center for forensic psychiatry.....	\$	290,300
12	PUBLIC HEALTH ADMINISTRATION		
13	Minority health grants and contracts.....	\$	100,000
14	Public health administration.....		12,000
15	HEALTH POLICY, REGULATION AND PROFESSIONS		
16	Primary care services.....	\$	88,900
17	INFECTIOUS DISEASE CONTROL		
18	AIDS prevention, testing and care programs.....	\$	824,400
19	Immunization local agreements.....		2,125,700
20	Sexually transmitted disease control local agreements		421,800
21	EPIDEMIOLOGY		
22	Methamphetamine cleanup fund.....	\$	100,000
23	LOCAL HEALTH ADMINISTRATION AND GRANTS		
24	Implementation of 1993 PA 133.....	\$	5,300
25	Local public health operations.....		35,468,400
26	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
27	Cancer prevention and control program.....	\$	350,300

1	Diabetes and kidney program.....		313,100
2	Smoking prevention program.....		906,200
3	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
4	Childhood lead program.....	\$	240,300
5	Dental programs.....		25,000
6	Family planning local agreements.....		111,300
7	Local MCH services.....		184,600
8	Pregnancy prevention program.....		1,772,400
9	Prenatal care outreach and service delivery support ..		697,800
10	School health and education programs.....		300,000
11	Special projects.....		657,500
12	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
13	Medical care and treatment.....	\$	618,000
14	Outreach and advocacy.....		1,283,200
15	MEDICAL SERVICES		
16	Dental services.....	\$	2,035,500
17	Hospital services and therapy.....		6,278,600
18	Long-term care services.....		109,353,700
19	Medicaid adult benefits waiver.....		9,664,700
20	Physician services.....		5,556,100
21	Transportation.....		2,799,600
22	OFFICE OF SERVICES TO THE AGING		
23	Community services.....	\$	14,425,000
24	Foster grandparent volunteer program.....		496,700
25	Nutrition services.....		11,405,600
26	Respite care program.....		4,336,000
27	Retired and senior volunteer program.....		188,000

1 Senior companion volunteer program..... 96,600
 2 CRIME VICTIM SERVICES COMMISSION
 3 Crime victim rights services grants..... \$ 6,800,000
 4 TOTAL OF PAYMENTS TO LOCAL UNITS
 5 OF GOVERNMENT..... \$ 1,279,459,400
 6 Sec. 202. (1) The appropriations authorized under this bill
 7 are subject to the management and budget act, 1984 PA 431, MCL
 8 18.1101 to 18.1594.
 9 (2) Funds for which the state is acting as the custodian or
 10 agent are not subject to annual appropriation.
 11 Sec. 203. As used in this bill:
 12 (a) "AIDS" means acquired immunodeficiency syndrome.
 13 (b) "CMHSP" means a community mental health services program
 14 as that term is defined in section 100a of the mental health code,
 15 1974 PA 258, MCL 330.1100a.
 16 (c) "Department" means the Michigan department of community
 17 health.
 18 (d) "DSH" means disproportionate share hospital.
 19 (e) "EPSDT" means early and periodic screening, diagnosis, and
 20 treatment.
 21 (f) "FTE" means full-time equated.
 22 (g) "GME" means graduate medical education.
 23 (h) "Health plan" means, at a minimum, an organization that
 24 meets the criteria for delivering the comprehensive package of
 25 services under the department's comprehensive health plan.
 26 (i) "HIV/AIDS" means human immunodeficiency virus/acquired
 27 immune deficiency syndrome.

1 (j) "HMO" means health maintenance organization.

2 (k) "IDEA" means individuals with disabilities education act.

3 (l) "IDG" means interdepartmental grant.

4 (m) "MCH" means maternal and child health.

5 (n) "MIChild" means the program described in section 1670.

6 (o) "MSS/ISS" means maternal and infant support services.

7 (p) "PAS/ARR-OBRA" means preadmission screening/annual
8 resident review -omnibus budget reconciliation act.

9 (q) "PIHP" means a specialty prepaid inpatient health plan for
10 Medicaid mental health services, services to persons with
11 developmental disabilities, and substance abuse services as
12 described in section 232b of the mental health code, 1974 PA 258,
13 MCL 330.1232b.

14 (r) "Title XVIII" means title XVIII of the social security
15 act, 42 USC 1395 to 1395hhh.

16 (s) "Title XIX" means title XIX of the social security act, 42
17 USC 1396 to 1396v.

18 (t) "Title XX" means title XX of the social security act, 42
19 USC 1397 to 1397f.

20 (u) "WIC" means women, infants, and children supplemental
21 nutrition program.

22 Sec. 204. The civil service commission shall bill the
23 department at the end of the first fiscal quarter for the 1% charge
24 authorized by section 5 of article XI of the state constitution of
25 1963. Payments shall be made for the total amount of the billing by
26 the end of the second fiscal quarter.

27 Sec. 205. (1) A hiring freeze is imposed on the state

1 classified civil service. State departments and agencies are
2 prohibited from hiring any new full-time state classified civil
3 service employees and prohibited from filling any vacant state
4 classified civil service positions. This hiring freeze does not
5 apply to internal transfers of classified employees from 1 position
6 to another within a department.

7 (2) The state budget director may grant exceptions to this
8 hiring freeze when the state budget director believes that the
9 hiring freeze will result in rendering a state department or agency
10 unable to deliver basic services, cause loss of revenue to the
11 state, result in the inability of the state to receive federal
12 funds, or necessitate additional expenditures that exceed any
13 savings from maintaining a vacancy. The state budget director shall
14 report quarterly to the chairpersons of the senate and house of
15 representatives standing committees on appropriations the number of
16 exceptions to the hiring freeze approved during the previous
17 quarter and the reasons to justify the exception.

18 Sec. 206. (1) In addition to the funds appropriated in part 1,
19 there is appropriated an amount not to exceed \$100,000,000.00 for
20 federal contingency funds. These funds are not available for
21 expenditure until they have been transferred to another line item
22 in this act under section 393(2) of the management and budget act,
23 1984 PA 431, MCL 18.1393.

24 (2) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$20,000,000.00 for state
26 restricted contingency funds. These funds are not available for
27 expenditure until they have been transferred to another line item

1 in this bill under section 393(2) of the management and budget act,
2 1984 PA 431, MCL 18.1393.

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

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

15 Sec. 208. The department shall use the Internet to fulfill the
16 reporting requirements of this bill. This requirement may include
17 transmission of reports via electronic mail to the recipients
18 identified for each reporting requirement or it may include
19 placement of reports on the Internet or Intranet site.

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

1 businesses owned and operated by veterans, if they are
2 competitively priced and of comparable quality.

3 Sec. 210. The director shall take all reasonable steps to
4 ensure businesses in deprived and depressed communities compete for
5 and perform contracts to provide services or supplies, or both. The
6 director shall strongly encourage firms with which the department
7 contracts to subcontract with certified businesses in depressed and
8 deprived communities for services, supplies, or both.

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

15 (2) The department shall provide a report to the senate and
16 house appropriations subcommittees on community health and the
17 senate and house fiscal agencies on the balance of each of the
18 restricted funds administered by the department as of September 30
19 of the current fiscal year.

20 Sec. 214. The use of state-restricted tobacco tax revenue
21 received for the purpose of tobacco prevention, education, and
22 reduction efforts and deposited in the healthy Michigan fund shall
23 not be used for lobbying as defined in 1978 PA 472, MCL 4.411 to
24 4.431, and shall not be used in attempting to influence the
25 decisions of the legislature, the governor, or any state agency.

26 Sec. 216. (1) In addition to funds appropriated in part 1 for
27 all programs and services, there is appropriated for write-offs of

1 accounts receivable, deferrals, and for prior year obligations in
2 excess of applicable prior year appropriations, an amount equal to
3 total write-offs and prior year obligations, but not to exceed
4 amounts available in prior year revenues.

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

10 Sec. 218. Basic health services for the purpose of part 23 of
11 the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are:
12 immunizations, communicable disease control, sexually transmitted
13 disease control, tuberculosis control, prevention of gonorrhea eye
14 infection in newborns, screening newborns for the conditions listed
15 in section 5431, MCL 333.5431 or recommended by the newborn
16 screening quality advisory committee, community health annex of the
17 Michigan emergency management plan, and prenatal care.

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

1 following:

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

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

6 (c) The expected project duration.

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

10 Sec. 220. All contracts with the Michigan public health
11 institute funded with appropriations in part 1 shall include a
12 requirement that the Michigan public health institute submit to
13 financial and performance audits by the state auditor general of
14 projects funded with state appropriations.

15 Sec. 223. The department of community health may establish and
16 collect fees for publications, videos and related materials,
17 conferences, and workshops. Collected fees shall be used to offset
18 expenditures to pay for printing and mailing costs of the
19 publications, videos and related materials, and costs of the
20 workshops and conferences. The costs shall not exceed fees
21 collected.

22 Sec. 259. From the funds appropriated in part 1 for
23 information technology, the department shall pay user fees to the
24 department of information technology for technology-related
25 services and projects. Such user fees shall be subject to
26 provisions of an interagency agreement between the department and
27 the department of information technology.

1 Sec. 260. Amounts appropriated in part 1 for information
2 technology may be designated as work projects and carried forward
3 to support technology projects under the direction of the
4 department of information technology. Funds designated in this
5 manner are not available for expenditure until approved as work
6 projects under section 451a of the management and budget act, 1984
7 PA 431, MCL 18.1451a.

8 Sec. 261. Funds appropriated in part 1 for the Medicaid
9 management information system upgrade are contingent upon approval
10 of an advanced planning document from the centers for Medicare and
11 Medicaid services. If the necessary matching funds are identified
12 and legislatively transferred to this line item, the corresponding
13 federal Medicaid revenue shall be appropriated at a 90/10
14 federal/state match rate. This appropriation may be designated as a
15 work project and carried forward to support completion of this
16 project.

17 Sec. 266. (1) Due to the current budgetary problems in this
18 state, out-of-state travel shall be limited to situations in which
19 1 or more of the following conditions apply:

20 (a) The travel is required by legal mandate or court order or
21 for law enforcement purposes.

22 (b) The travel is necessary to protect the health or safety of
23 Michigan citizens or visitors or to assist other states in similar
24 circumstances.

25 (c) The travel is necessary to produce budgetary savings or to
26 increase state revenues, including protecting existing federal
27 funds or securing additional federal funds.

1 (d) The travel is necessary to comply with federal
2 requirements.

3 (e) The travel is necessary to secure specialized training for
4 staff that is not available within this state.

5 (f) The travel is financed entirely by federal or nonstate
6 funds.

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

13 (3) Not later than January 1 of each year, each department
14 shall prepare a travel report listing all travel by classified and
15 unclassified employees outside this state in the immediately
16 preceding fiscal year that was funded in whole or in part with
17 funds appropriated in the department's budget. The report shall be
18 submitted to the chairs and members of the house of representatives
19 and senate standing committees on appropriations, the fiscal
20 agencies, and the state budget director. The report shall include
21 the following information:

22 (a) The name of each person receiving reimbursement for travel
23 outside this state or whose travel costs were paid by this state.

24 (b) The destination of each travel occurrence.

25 (c) The dates of each travel occurrence.

26 (d) A brief statement of the reason for each travel
27 occurrence.

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

6 (f) A total of all out-of-state travel funded for the
7 immediately preceding fiscal year.

8 Sec. 269. The amount appropriated in part 1 for medical
9 services pharmaceutical services includes funds to cover
10 reimbursement of mental health medications under the Medicaid
11 program. Reimbursement procedures for mental health medications
12 shall be the same as those that were followed in fiscal year 2005-
13 2006, and utilization procedures for such medications shall adhere
14 to section 1625, the department's fiscal year 2006-2007 contract
15 with Medicaid health plans, and section 109h of the social welfare
16 act, 1939 PA 280, MCL 400.109h.

17 Sec. 270. Within 30 days after receipt of the notification
18 from the attorney general's office of a legal action in which
19 expenses had been recovered pursuant to section 106(4) of the
20 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
21 under which the department has the right to recover expenses, the
22 department shall submit a written report to the house of
23 representatives and senate appropriations subcommittees on
24 community health, the house and senate fiscal agencies, and the
25 state budget office which includes, at a minimum, all of the
26 following:

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

1 (b) The program or service for which the money was originally
2 expended.

3 (c) Details on the disposition of the funds recovered such as
4 the appropriation or revenue account in which the money was
5 deposited.

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

7 Sec. 271. (1) A PIHP, Medicaid HMO, and federally qualified
8 health center may establish and implement an early mental health
9 services intervention pilot project. This project shall provide
10 care coordination, disease management, and pharmacy management to
11 eligible recipients suffering from chronic disease, including, but
12 not limited to, diabetes, asthma, substance addiction, or stroke.
13 Participating organizations may make use of data sharing, joint
14 information technology efforts, and financial incentives to health
15 providers and recipients in this project.

16 (2) The pilot project shall make use of preestablished
17 objectives and outcome measures to determine the cost effectiveness
18 of the project. Data shall also be collected by participating
19 organizations to study and monitor the correlation between early
20 mental health treatment services to program participants and
21 improvement in the management of their chronic disease.

22 (3) The department shall request any necessary Medicaid state
23 plan amendments or waivers to ensure participation in this project
24 by eligible Medicaid recipients.

25 (4) A progress report on the pilot project shall be provided
26 to the house and senate appropriations subcommittees on community
27 health, the house and senate fiscal agencies, and the state budget

1 director no later than May 1 of the current fiscal year.

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

8 **DEPARTMENTWIDE ADMINISTRATION**

9 Sec. 301. From funds appropriated for worker's compensation,
10 the department may make payments in lieu of worker's compensation
11 payments for wage and salary and related fringe benefits for
12 employees who return to work under limited duty assignments.

13 Sec. 303. The department is prohibited from requiring first-
14 party payment from individuals or families with a taxable income of
15 \$10,000.00 or less for mental health services for determinations
16 made in accordance with section 818 of the mental health code, 1974
17 PA 258, MCL 330.1818.

18 **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL**
19 **PROJECTS**

20 Sec. 350. The department may enter into a contract with the
21 protection and advocacy service, authorized under section 931 of
22 the mental health code, 1974 PA 258, MCL 330.1931, or a similar
23 organization to provide legal services for purposes of gaining and
24 maintaining occupancy in a community living arrangement which is
25 under lease or contract with the department or a community mental

1 health services program to provide services to persons with mental
2 illness or developmental disability.

3 **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

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

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

10 (b) A complete array of mental health services which shall
11 include, but shall not be limited to, all of the following
12 services: residential and other individualized living arrangements,
13 outpatient services, acute inpatient services, and long-term, 24-
14 hour inpatient care in a structured, secure environment.

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

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

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

4 (f) A system of continuous quality improvement.

5 (g) A system to monitor and evaluate the mental health
6 services provided.

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

10 Sec. 402. (1) From funds appropriated in part 1, final
11 authorizations to CMHSPs or PIHPs shall be made upon the execution
12 of contracts between the department and CMHSPs or PIHPs. The
13 contracts shall contain an approved plan and budget as well as
14 policies and procedures governing the obligations and
15 responsibilities of both parties to the contracts. Each contract
16 with a CMHSP or PIHP that the department is authorized to enter
17 into under this subsection shall include a provision that the
18 contract is not valid unless the total dollar obligation for all of
19 the contracts between the department and the CMHSPs or PIHPs
20 entered into under this subsection for fiscal year 2008-2009 does
21 not exceed the amount of money appropriated in part 1 for the
22 contracts authorized under this subsection.

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

27 (a) Any new contracts with CMHSPs or PIHPs that would affect

1 rates or expenditures are enacted.

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

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

7 Sec. 403. From the funds appropriated in part 1 for
8 multicultural services, the department shall ensure that CMHSPs or
9 PIHPs meet with multicultural service providers to develop a
10 workable framework for contracting, service delivery, and
11 reimbursement.

12 Sec. 404. (1) Not later than May 31 of each fiscal year, the
13 department shall provide a report on the community mental health
14 services programs to the members of the house of representatives
15 and senate appropriations subcommittees on community health, the
16 house and senate fiscal agencies, and the state budget director
17 that includes the information required by this section.

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

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

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

25 (c) Financial information which, minimally, shall include a
26 description of funding authorized; expenditures by client group and
27 fund source; and cost information by service category, including

1 administration. Service category shall include all department-
2 approved services.

3 (d) Data describing service outcomes which shall include, but
4 not be limited to, an evaluation of consumer satisfaction, consumer
5 choice, and quality of life concerns including, but not limited to,
6 housing and employment.

7 (e) Information about access to community mental health
8 services programs which shall include, but not be limited to, the
9 following:

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

11 (ii) The number of people who requested services but did not
12 receive services.

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

15 (g) An analysis of information provided by community mental
16 health services programs in response to the needs assessment
17 requirements of the mental health code, including information about
18 the number of persons in the service delivery system who have
19 requested and are clinically appropriate for different services.

20 (h) Lapses and carryforwards during fiscal year 2007-2008 for
21 CMHSPs or PIHPs.

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

25 (i) The amount of the contract, organized by type of service
26 provided.

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

1 (iii) Administrative costs for services provided to CMHSPs or
2 PIHPs.

3 (j) Information on the community mental health Medicaid
4 managed care program, including, but not limited to, both of the
5 following:

6 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
7 eligibility group, including per eligible individual expenditure
8 averages.

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

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

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

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

24 Sec. 405. The employee wage pass-through funded in previous
25 years, including the 2% wage increase funded in fiscal year 2006-
26 2007, to the community mental health services programs for direct
27 care workers in local residential settings and for paraprofessional

1 and other nonprofessional direct care workers in settings where
2 skill building, community living supports and training, and
3 personal care services are provided shall continue to be paid to
4 direct care workers.

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

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

19 Sec. 407. (1) The amount appropriated in part 1 for substance
20 abuse prevention, education, and treatment grants shall be expended
21 for contracting with coordinating agencies. Coordinating agencies
22 shall work with the CMHSPs or PIHPs to coordinate the care and
23 services provided to individuals with both mental illness and
24 substance abuse diagnoses.

25 (2) The department shall approve a fee schedule for providing
26 substance abuse services and charge participants in accordance with
27 their ability to pay.

1 Sec. 408. (1) By April 15 of the current fiscal year, the
2 department shall report the following data from fiscal year 2007-
3 2008 on substance abuse prevention, education, and treatment
4 programs to the senate and house of representatives appropriations
5 subcommittees on community health, the senate and house fiscal
6 agencies, and the state budget office:

7 (a) Expenditures stratified by coordinating agency, by central
8 diagnosis and referral agency, by fund source, by subcontractor, by
9 population served, and by service type. Additionally, data on
10 administrative expenditures by coordinating agency and by
11 subcontractor shall be reported.

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

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

18 (d) Collections from other first- or third-party payers,
19 private donations, or other state or local programs, by
20 coordinating agency, by subcontractor, by population served, and by
21 service type.

22 (2) The department shall take all reasonable actions to ensure
23 that the required data reported are complete and consistent among
24 all coordinating agencies.

25 Sec. 409. The funding in part 1 for substance abuse services
26 shall be distributed in a manner that provides priority to service
27 providers that furnish child care services to clients with

1 children.

2 Sec. 410. The department shall assure that substance abuse
3 treatment is provided to applicants and recipients of public
4 assistance through the department of human services who are
5 required to obtain substance abuse treatment as a condition of
6 eligibility for public assistance.

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

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

22 Sec. 412. The department shall contract directly with the
23 Salvation Army harbor light program to provide non-Medicaid
24 substance abuse services at not less than the amount contracted for
25 in fiscal year 2007-2008.

26 Sec. 414. Medicaid substance abuse treatment services shall be
27 managed by selected PIHPs pursuant to the centers for Medicare and

1 Medicaid services' approval of Michigan's 1915(b) waiver request to
2 implement a managed care plan for specialized substance abuse
3 services. The selected PIHPs shall receive a capitated payment on a
4 per eligible per month basis to assure provision of medically
5 necessary substance abuse services to all beneficiaries who require
6 those services. The selected PIHPs shall be responsible for the
7 reimbursement of claims for specialized substance abuse services.
8 The PIHPs that are not coordinating agencies may continue to
9 contract with a coordinating agency. Any alternative arrangement
10 must be based on client service needs and have prior approval from
11 the department.

12 Sec. 418. On or before the tenth of each month, the department
13 shall report to the senate and house of representatives
14 appropriations subcommittees on community health, the senate and
15 house fiscal agencies, and the state budget director on the amount
16 of funding paid to PIHPs to support the Medicaid managed mental
17 health care program in the preceding month. The information shall
18 include the total paid to each PIHP, per capita rate paid for each
19 eligibility group for each PIHP, and number of cases in each
20 eligibility group for each PIHP, and year-to-date summary of
21 eligibles and expenditures for the Medicaid managed mental health
22 care program.

23 Sec. 424. Each PIHP that contracts with the department to
24 provide services to the Medicaid population shall adhere to the
25 following timely claims processing and payment procedure for claims
26 submitted by health professionals and facilities:

27 (a) A "clean claim" as described in section 111i of the social

1 welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days
2 after receipt of the claim by the PIHP. A clean claim that is not
3 paid within this time frame shall bear simple interest at a rate of
4 12% per annum.

5 (b) A PIHP must state in writing to the health professional or
6 facility any defect in the claim within 30 days after receipt of
7 the claim.

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

12 Sec. 428. Each PIHP shall provide, from internal resources,
13 local funds to be used as a bona fide part of the state match
14 required under the Medicaid program in order to increase capitation
15 rates for PIHPs. These funds shall not include either state funds
16 received by a CMHSP for services provided to non-Medicaid
17 recipients or the state matching portion of the Medicaid capitation
18 payments made to a PIHP.

19 Sec. 435. 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. 442. (1) The \$40,000,000.00 in funding transferred from
27 the community mental health non-Medicaid services line to support

1 the Medicaid adult benefits waiver program shall be used to provide
2 state match for increases in federal funding for primary care and
3 specialty services provided to Medicaid adult benefits waiver
4 enrollees and for economic increases for the Medicaid specialty
5 services and supports program.

6 (2) The department shall assure that persons enrolled in the
7 Medicaid adult benefits waiver program shall receive mental health
8 services as approved in the state plan amendment.

9 (3) Capitation payments to CMHSPs for persons who become
10 enrolled in the Medicaid adult benefits waiver program shall be
11 made using the same rate methodology as payments for the current
12 Medicaid beneficiaries.

13 (4) If enrollment in the Medicaid adult benefits waiver
14 program does not achieve expectations and the funding appropriated
15 for the Medicaid adult benefits waiver program for specialty
16 services is not expended, the general fund balance shall be
17 transferred back to the community mental health non-Medicaid
18 services line. The department shall report quarterly to the senate
19 and house of representatives appropriations subcommittees on
20 community health a summary of eligible expenditures for the
21 Medicaid adult benefits waiver program by CMHSPs.

22 Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to
23 the fullest extent possible when providing services and support
24 programs for individuals with mental illness, developmental
25 disabilities, or substance abuse issues. Consumer choices shall
26 include skill-building assistance, rehabilitative and habilitative
27 services, supported and integrated employment services program

1 settings, and other work preparatory services provided in the
2 community or by accredited community-based rehabilitation
3 organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or
4 restrict any choices from the array of services and program
5 settings available to consumers without reasonable justification
6 that those services are not in the consumer's best interest.

7 (2) CMHSPs and PIHPs shall take all necessary steps to ensure
8 that individuals with mental illness, developmental disabilities,
9 or substance abuse issues be placed in the least restrictive
10 setting in the quickest amount of time possible if it is the
11 individual's choice.

12 Sec. 459. From the funds appropriated in part 1 for mental
13 health court pilot programs, the department shall work with the
14 judiciary, including the state court administrative office, to
15 develop guidelines for the operation and evaluation of pilot mental
16 health courts. Local CMHSPs and trial courts interested in becoming
17 mental health court pilot sites shall submit a joint application
18 for funding prepared in accordance with guidelines established by
19 the department and judiciary. The applications shall include
20 documentation of community needs and a commitment to the program by
21 key stakeholders, including the local courts, law enforcement,
22 prosecutor, defense counsel, and treatment providers.

23 Sec. 463. The department shall use standard program evaluation
24 measures to assess the overall effectiveness of programs provided
25 through coordinating agencies and service providers in reducing and
26 preventing the incidence of substance abuse. The measures
27 established by the department shall be modeled after the program

1 outcome measures and best practice guidelines for the treatment of
2 substance abuse as proposed by the federal substance abuse and
3 mental health services administration.

4 Sec. 465. Funds appropriated in part 1 for respite services
5 shall be used for direct respite care services for children with
6 serious emotional disturbances and their families. Not more than 1%
7 of the funds allocated for respite services shall be expended by
8 CMHSPs for administration and administrative purposes.

9 Sec. 468. To foster a more efficient administration of and to
10 integrate care in publicly funded mental health and substance abuse
11 services, the department shall maintain criteria for the
12 incorporation of a city, county, or regional substance abuse
13 coordinating agency into a local community mental health authority
14 that will encourage those city, county, or regional coordinating
15 agencies to incorporate as local community mental health
16 authorities. If necessary, the department may make accommodations
17 or adjustments in formula distribution to address administrative
18 costs related to the recommended changes to the criteria made in
19 accordance with this section and to the incorporation of the
20 additional coordinating agencies into local community mental health
21 authorities provided that all of the following are satisfied:

22 (a) The department provides funding for the administrative
23 costs incurred by coordinating agencies incorporating into
24 community mental health authorities. The department shall not
25 provide more than \$75,000.00 to any coordinating agency for
26 administrative costs.

27 (b) The accommodations or adjustments do not favor

1 coordinating agencies who voluntarily elect to integrate with local
2 community mental health authorities.

3 (c) The accommodations or adjustments do not negatively affect
4 other coordinating agencies.

5 Sec. 470. For those substance abuse coordinating agencies that
6 have voluntarily incorporated into community mental health
7 authorities and accepted funding from the department for
8 administrative costs incurred pursuant to section 468 of this act,
9 the department shall establish written expectations for those
10 CMHSPs, PIHPs, and substance abuse coordinating agencies and
11 counties with respect to the integration of mental health and
12 substance abuse services. At a minimum, the written expectations
13 shall provide for the integration of those services as follows:

14 (a) Coordination and consolidation of administrative functions
15 and redirection of efficiencies into service enhancements.

16 (b) Consolidation of points of 24-hour access for mental
17 health and substance abuse services in every community.

18 (c) Alignment of coordinating agencies and PIHPs boundaries to
19 maximize opportunities for collaboration and integration of
20 administrative functions and clinical activities.

21 Sec. 474. The department shall ensure that each contract with
22 a CMHSP or PIHP requires the CMHSP or PIHP to provide each
23 recipient and his or her family with information regarding the
24 different types of guardianship and the alternatives to
25 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
26 reduce or restrict the ability of a recipient or his or her family
27 from seeking to obtain any form of legal guardianship without just

1 cause.

2 Sec. 480. The department shall provide to the senate and house
3 appropriations subcommittees on community health and the senate and
4 house fiscal agencies by March 30 of the current fiscal year a
5 report on the number and reimbursement cost of atypical
6 antipsychotic prescriptions by each PIHP for Medicaid
7 beneficiaries.

8 STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL
9 DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

10 Sec. 601. (1) In funding of staff in the financial support
11 division, reimbursement, and billing and collection sections,
12 priority shall be given to obtaining third-party payments for
13 services. Collection from individual recipients of services and
14 their families shall be handled in a sensitive and nonharassing
15 manner.

16 (2) The department shall continue a revenue recapture project
17 to generate additional revenues from third parties related to cases
18 that have been closed or are inactive. Revenues collected through
19 project efforts are appropriated to the department for departmental
20 costs and contractual fees associated with these retroactive
21 collections and to improve ongoing departmental reimbursement
22 management functions.

23 Sec. 602. Unexpended and unencumbered amounts and accompanying
24 expenditure authorizations up to \$1,000,000.00 remaining on
25 September 30 of the current fiscal year from the amounts
26 appropriated in part 1 for gifts and bequests for patient living

1 and treatment environments shall be carried forward for 1 fiscal
2 year. The purpose of gifts and bequests for patient living and
3 treatment environments is to use additional private funds to
4 provide specific enhancements for individuals residing at state-
5 operated facilities. Use of the gifts and bequests shall be
6 consistent with the stipulation of the donor. The expected
7 completion date for the use of gifts and bequests donations is
8 within 3 years unless otherwise stipulated by the donor.

9 Sec. 603. The funds appropriated in part 1 for forensic mental
10 health services provided to the department of corrections are in
11 accordance with the interdepartmental plan developed in cooperation
12 with the department of corrections. The department is authorized to
13 receive and expend funds from the department of corrections in
14 addition to the appropriations in part 1 to fulfill the obligations
15 outlined in the interdepartmental agreements.

16 Sec. 604. (1) The CMHSPs or PIHPs shall provide annual reports
17 to the department on the following information:

18 (a) The number of days of care purchased from state hospitals
19 and centers.

20 (b) The number of days of care purchased from private
21 hospitals in lieu of purchasing days of care from state hospitals
22 and centers.

23 (c) The number and type of alternative placements to state
24 hospitals and centers other than private hospitals.

25 (d) Waiting lists for placements in state hospitals and
26 centers.

27 (2) The department shall annually report the information in

1 subsection (1) to the house of representatives and senate
2 appropriations subcommittees on community health, the house and
3 senate fiscal agencies, and the state budget director.

4 Sec. 605. (1) The department shall not implement any closures
5 or consolidations of state hospitals, centers, or agencies until
6 CMHSPs or PIHPs have programs and services in place for those
7 persons currently in those facilities and a plan for service
8 provision for those persons who would have been admitted to those
9 facilities.

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

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

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

26 Sec. 606. The department may collect revenue for patient
27 reimbursement from first- and third-party payers, including

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

8 **PUBLIC HEALTH ADMINISTRATION**

9 Sec. 650. The department shall communicate the annual public
10 health consumption advisory for sportfish. The department shall, at
11 a minimum, post the advisory on the Internet and make the
12 information in the advisory available to the clients of the women,
13 infants, and children special supplemental nutrition program.

14 Sec. 651. By April 30 of the current fiscal year, the
15 department shall submit a report to the house and senate fiscal
16 agencies and the state budget director on the activities and
17 efforts of the department to improve the health status of the
18 citizens of this state with regard to the goals and objectives
19 stated in the "Healthy Michigan 2010" report, and the measurable
20 progress made toward those goals and objectives.

21 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

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

1 exist to serve rural areas of the state.

2 Sec. 706. When hiring any new nursing home inspectors funded
3 through appropriations in part 1, the department shall make every
4 effort to hire qualified individuals with past experience in the
5 long-term care industry.

6 Sec. 707. The funds appropriated in part 1 for the nursing
7 scholarship program, established in section 16315 of the public
8 health code, 1978 PA 368, MCL 333.16315, shall be used to increase
9 the number of nurses practicing in Michigan. The board of nursing
10 is encouraged to structure scholarships funded under this act in a
11 manner that rewards recipients who intend to practice nursing in
12 Michigan. In addition, the department and the board of nursing
13 shall work cooperatively with the Michigan higher education
14 assistance authority to coordinate scholarship assistance with
15 scholarships provided pursuant to the Michigan nursing scholarship
16 act, 2002 PA 591, MCL 390.1181 to 390.1189.

17 Sec. 708. Nursing facilities shall report in the quarterly
18 staff report to the department, the total patient care hours
19 provided each month, by state licensure and certification
20 classification, and the percentage of pool staff, by state
21 licensure and certification classification, used each month during
22 the preceding quarter. The department shall make available to the
23 public, the quarterly staff report compiled for all facilities
24 including the total patient care hours and the percentage of pool
25 staff used, by classification.

26 Sec. 709. The funds appropriated in part 1 for the Michigan
27 essential health care provider program may also provide loan

1 repayment for dentists that fit the criteria established by part 27
2 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

3 Sec. 710. From the funds appropriated in part 1 for primary
4 care services, an amount not to exceed \$2,172,700.00 is
5 appropriated to enhance the service capacity of the federally
6 qualified health centers and other health centers which are similar
7 to federally qualified health centers.

8 Sec. 711. The department may make available to interested
9 entities customized listings of nonconfidential information in its
10 possession, such as names and addresses of licensees. The
11 department may establish and collect a reasonable charge to provide
12 this service. The revenue received from this service shall be used
13 to offset expenses to provide the service. Any balance of this
14 revenue collected and unexpended at the end of the fiscal year
15 shall revert to the appropriate restricted fund.

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

23 Sec. 713. The department is directed to continue support of
24 multicultural agencies that provide primary care services from the
25 funds appropriated in part 1.

26 Sec. 714. The department shall report to the legislature on
27 the timeliness of nursing facility complaint investigations and the

1 number of allegations that are substantiated on an annual basis.
2 The report shall consist of the number of allegations filed by
3 consumers and the number of facility-reported incidents. The
4 department shall make every effort to contact every complainant and
5 the subject of a complaint during an investigation.

6 Sec. 716. The department shall give priority in investigations
7 of alleged wrongdoing by licensed health care professionals to
8 instances that are alleged to have occurred within 2 years of the
9 initial complaint.

10 **INFECTIOUS DISEASE CONTROL**

11 Sec. 801. In the expenditure of funds appropriated in part 1
12 for AIDS programs, the department and its subcontractors shall
13 ensure that high-risk individuals ages 9 through 18 shall receive
14 priority for prevention, education, and outreach services.

15 Sec. 803. The department shall continue the AIDS drug
16 assistance program maintaining the prior year eligibility criteria
17 and drug formulary. This section is not intended to prohibit the
18 department from providing assistance for improved AIDS treatment
19 medications. If the appropriation in part 1 or actual revenue is
20 not sufficient to maintain the prior year eligibility criteria and
21 drug formulary, the department may revise the eligibility criteria
22 and drug formulary in a manner that is consistent with federal
23 program guidelines.

24 Sec. 804. The department, in conjunction with efforts to
25 implement the Michigan prisoner reentry initiative, shall cooperate
26 with the department of corrections to share data and information as

1 they relate to prisoners being released who are HIV positive or
2 positive for the Hepatitis C antibody.

3 EPIDEMIOLOGY

4 Sec. 851. The department shall provide a report annually to
5 the house of representatives and senate appropriations
6 subcommittees on community health, the senate and house fiscal
7 agencies, and the state budget director on the expenditures and
8 activities undertaken by the lead abatement program. The report
9 shall include, but is not limited to, a funding allocation
10 schedule, expenditures by category of expenditure and by
11 subcontractor, revenues received, description of program elements,
12 and description of program accomplishments and progress.

13 Sec. 852. (1) From the funds appropriated in part 1 for the
14 methamphetamine cleanup fund, the department shall allow local
15 governments to apply for money to cover their administrative costs
16 associated with the methamphetamine cleanup efforts. The funds
17 allocated to local governments for the administrative costs
18 associated with methamphetamine cleanup efforts shall not exceed
19 \$800.00 per property.

20 (2) The department shall work with the Michigan association of
21 counties to ensure that counties are aware that the funds
22 appropriated in part 1 for methamphetamine cleanup activities are
23 available.

24 LOCAL HEALTH ADMINISTRATION AND GRANTS

25 Sec. 901. The amount appropriated in part 1 for implementation

1 of the 1993 amendments to sections 9161, 16221, 16226, 17014,
2 17015, and 17515 of the public health code, 1978 PA 368, MCL
3 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
4 333.17515, shall reimburse local health departments for costs
5 incurred related to implementation of section 17015(18) of the
6 public health code, 1978 PA 368, MCL 333.17015.

7 Sec. 902. If a county that has participated in a district
8 health department or an associated arrangement with other local
9 health departments takes action to cease to participate in such an
10 arrangement after October 1, 2007, the department shall have the
11 authority to assess a penalty from the local health department's
12 operational accounts in an amount equal to no more than 6.25% of
13 the local health department's local public health operations
14 funding. This penalty shall only be assessed to the local county
15 that requests the dissolution of the health department.

16 Sec. 904. (1) Funds appropriated in part 1 for local public
17 health operations shall be prospectively allocated to local health
18 departments to support immunizations, infectious disease control,
19 sexually transmitted disease control and prevention, hearing
20 screening, vision services, food protection, public water supply,
21 private groundwater supply, and on-site sewage management. Food
22 protection shall be provided in consultation with the Michigan
23 department of agriculture. Public water supply, private groundwater
24 supply, and on-site sewage management shall be provided in
25 consultation with the Michigan department of environmental quality.

26 (2) Local public health departments will be held to
27 contractual standards for the services in subsection (1).

1 (3) Distributions in subsection (1) shall be made only to
2 counties that maintain local spending in fiscal year 2008-2009 of
3 at least the amount expended in fiscal year 1992-1993 for the
4 services described in subsection (1).

5 (4) By April 1 of the current fiscal year, the department
6 shall make available a report to the senate and house of
7 representatives appropriations subcommittees on community health,
8 the senate and house fiscal agencies, and the state budget director
9 on the planned allocation of the funds appropriated for local
10 public health operations.

11 Sec. 905. From the funds appropriated in part 1 for local
12 public health operations, \$5,150,000.00 shall be used to continue
13 funding hearing and vision screening services through local public
14 health departments.

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

16 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's
17 information network shall be used to provide information and
18 referral services through regional networks for persons with
19 Alzheimer's disease or related disorders, their families, and
20 health care providers.

21 Sec. 1006. (1) In spending the funds appropriated in part 1
22 for the smoking prevention program, priority shall be given to
23 prevention and smoking cessation programs for pregnant women, women
24 with young children, and adolescents.

25 (2) For purposes of complying with 2004 PA 164, \$900,000.00 of
26 the funds appropriated in part 1 for the smoking prevention program

1 shall be used for the quit kit program that includes the nicotine
2 patch or nicotine gum.

3 Sec. 1007. (1) The funds appropriated in part 1 for violence
4 prevention shall be used for, but not be limited to, the following:

5 (a) Programs aimed at the prevention of spouse, partner, or
6 child abuse and rape.

7 (b) Programs aimed at the prevention of workplace violence.

8 (2) In awarding grants from the amounts appropriated in part 1
9 for violence prevention, the department shall give equal
10 consideration to public and private nonprofit applicants.

11 (3) From the funds appropriated in part 1 for violence
12 prevention, the department may include local school districts as
13 recipients of the funds for family violence prevention programs.

14 Sec. 1009. From the funds appropriated in part 1 for the
15 diabetes and kidney program, a portion of the funds may be
16 allocated to the National Kidney Foundation of Michigan for kidney
17 disease prevention programming including early identification and
18 education programs and kidney disease prevention demonstration
19 projects.

20 Sec. 1010. From the funds appropriated in part 1 for chronic
21 disease prevention, \$200,000.00 shall be allocated for osteoporosis
22 prevention and treatment education.

23 Sec. 1019. From the funds appropriated in part 1 for chronic
24 disease prevention, \$50,000.00 may be allocated for stroke
25 prevention, education, and outreach. The objectives of the program
26 shall include education to assist persons in identifying risk
27 factors, and education to assist persons in the early

1 identification of the occurrence of a stroke in order to minimize
2 stroke damage.

3 Sec. 1028. Contingent on the availability of state restricted
4 healthy Michigan fund money or federal preventive health and health
5 services block grant fund money, funds may be appropriated for the
6 African-American male health initiative.

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

8 Sec. 1101. The department shall review the basis for the
9 distribution of funds to local health departments and other public
10 and private agencies for the women, infants, and children food
11 supplement program; family planning; and prenatal care outreach and
12 service delivery support program and indicate the basis upon which
13 any projected underexpenditures by local public and private
14 agencies shall be reallocated to other local agencies that
15 demonstrate need.

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

24 (a) Funding allocations.

25 (b) Actual number of women, children, and/or adolescents
26 served and amounts expended for each group for the prior fiscal

1 year.

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

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

7 (3) For the purposes of this section, "rural" means a county,
8 city, village, or township with a population of not more than
9 30,000, including those entities if located within a metropolitan
10 statistical area.

11 Sec. 1105. For all programs for which an appropriation is made
12 in part 1, the department shall contract with those local agencies
13 best able to serve clients. Factors to be used by the department in
14 evaluating agencies under this section shall include ability to
15 serve high-risk population groups; ability to provide access to
16 individuals in need of services in rural communities; ability to
17 serve low-income clients, where applicable; availability of, and
18 access to, service sites; management efficiency; and ability to
19 meet federal standards, when applicable.

20 Sec. 1106. Each family planning program receiving federal
21 title X family planning funds shall be in compliance with all
22 performance and quality assurance indicators that the United States
23 bureau of community health services specifies in the family
24 planning annual report. An agency not in compliance with the
25 indicators shall not receive supplemental or reallocated funds.

26 Sec. 1107. Of the amount appropriated in part 1 for prenatal
27 care outreach and service delivery support, not more than 9% shall

1 be expended for local administration, data processing, and
2 evaluation.

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

6 Sec. 1109. (1) From the amounts appropriated in part 1 for
7 dental programs, funds shall be allocated to the Michigan dental
8 association for the administration of a volunteer dental program
9 that shall provide dental services to the uninsured in an amount
10 that is no less than the amount allocated to that program in fiscal
11 year 1996-1997.

12 (2) Not later than December 1 of the current fiscal year, the
13 department shall make available upon request a report to the senate
14 or house of representatives appropriations subcommittee on
15 community health or the senate or house of representatives standing
16 committee on health policy the number of individual patients
17 treated, number of procedures performed, and approximate total
18 market value of those procedures from the prior fiscal year.

19 Sec. 1110. Agencies that currently receive pregnancy
20 prevention funds and either receive or are eligible for other
21 family planning funds shall have the option of receiving all of
22 their family planning funds directly from the department of
23 community health and be designated as delegate agencies.

24 Sec. 1111. The department shall allocate no less than 88% of
25 the funds appropriated in part 1 for family planning local
26 agreements and the pregnancy prevention program for the direct
27 provision of family planning/pregnancy prevention services.

1 Sec. 1112. From the funds appropriated in part 1 for prenatal
2 care outreach and service delivery support, the department shall
3 allocate at least \$1,000,000.00 to communities with high infant
4 mortality rates.

5 Sec. 1129. The department shall provide a report annually to
6 the house of representatives and senate appropriations
7 subcommittees on community health, the house and senate fiscal
8 agencies, and the state budget director on the number of children
9 with elevated blood lead levels from information available to the
10 department. The report shall provide the information by county,
11 shall include the level of blood lead reported, and shall indicate
12 the sources of the information.

13 Sec. 1132. From the funds appropriated in part 1 for special
14 projects, \$400,000.00 shall be allocated to the nurse family
15 partnership program.

16 Sec. 1133. The department shall release infant mortality rate
17 data to all local public health departments 72 hours or more before
18 releasing infant mortality rate data to the public.

19 Sec. 1135. (1) Provision of the school health education
20 curriculum, such as the Michigan model or another comprehensive
21 school health education curriculum, shall be in accordance with the
22 health education goals established by the Michigan model for the
23 comprehensive school health education state steering committee. The
24 state steering committee shall be comprised of a representative
25 from each of the following offices and departments:

26 (a) The department of education.

27 (b) The department of community health.

1 (c) The health administration in the department of community
2 health.

3 (d) The bureau of mental health and substance abuse services
4 in the department of community health.

5 (e) The department of human services.

6 (f) The department of state police.

7 (2) Upon written or oral request, a pupil not less than 18
8 years of age or a parent or legal guardian of a pupil less than 18
9 years of age, within a reasonable period of time after the request
10 is made, shall be informed of the content of a course in the health
11 education curriculum and may examine textbooks and other classroom
12 materials that are provided to the pupil or materials that are
13 presented to the pupil in the classroom. This subsection does not
14 require a school board to permit pupil or parental examination of
15 test questions and answers, scoring keys, or other examination
16 instruments or data used to administer an academic examination.

17 **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

18 Sec. 1151. The department may work with local participating
19 agencies to define local annual contributions for the farmer's
20 market nutrition program, project FRESH, to enable the department
21 to request federal matching funds based on local commitment of
22 funds.

23 Sec. 1153. The department shall ensure that individuals
24 residing in rural communities have sufficient access to the
25 services offered through the WIC program.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1201. Funds appropriated in part 1 for medical care and treatment of children with special health care needs shall be paid according to reimbursement policies determined by the Michigan medical services program. Exceptions to these policies may be taken with the prior approval of the state budget director.

Sec. 1202. 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 genetic diagnostic and counseling services for eligible families.

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

Sec. 1203. All children who are determined medically eligible for the children's special health care services program shall be referred to the appropriate locally based services program in their community.

OFFICE OF DRUG CONTROL POLICY

Sec. 1250. The department shall provide \$1,800,000.00 in Byrne formula grant program funding to the judiciary by interdepartmental grant.

OFFICE OF SERVICES TO THE AGING

1 Sec. 1401. The appropriation in part 1 to the office of
2 services to the aging, for community and nutrition services and
3 home services, shall be restricted to eligible individuals at least
4 60 years of age who fail to qualify for home care services under
5 title XVIII, XIX, or XX.

6 Sec. 1403. (1) The office of services to the aging shall
7 require each region to report to the office of services to the
8 aging home delivered meals waiting lists based upon standard
9 criteria. 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. 1404. The area agencies and local providers may receive
21 and expend fees for the provision of day care, care management,
22 respite care, and certain eligible home- and community-based
23 services. The fees shall be based on a sliding scale, taking client
24 income into consideration. The fees shall be used to expand
25 services.

26 Sec. 1406. The appropriation of \$5,000,000.00 of merit award
27 trust funds to the office of services to the aging for the respite

1 care program shall be allocated in accordance with a long-term care
2 plan developed by the long-term care working group established in
3 section 1657 of 1998 PA 336 upon implementation of the plan. The
4 use of the funds shall be for direct respite care or adult respite
5 care center services. Not more than 9% of the amount allocated
6 under this section shall be expended for administration and
7 administrative purposes.

8 Sec. 1413. The office of services to the aging shall support
9 the role of local county board of commissioners in the approval of
10 area agency on aging plans. Local counties may request to change
11 membership in the area agencies on aging if the change is to an
12 area agency on aging that is contiguous to that county pursuant to
13 office of services to the aging policies and procedures for area
14 agency on aging designation. The office of services to the aging
15 shall adjust allocations to area agencies on aging to account for
16 any changes in county membership. The office of services to the
17 aging shall ensure that county boards of commissioners are aware
18 that county membership in area agencies on aging can be changed
19 subject to office of services to the aging policies and procedures
20 for area agency on aging designation. The office of services to the
21 aging will work with others to provide training to commissioners to
22 better understand and advocate for aging issues. Area agencies on
23 aging are prohibited from providing direct services, other than
24 access services, unless the agencies receive a waiver from the
25 commission on services to the aging. This section is conditioned on
26 compliance with federal and state laws, rules, and policies.

27 Sec. 1416. The office of services to the aging shall provide

1 in-home services, resources, and assistance for the frail elderly
2 who are not being served by the Medicaid home- and community-based
3 services waiver program.

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

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

11 (b) Detail expenditure by each area agency on aging by
12 individual program and administration including both state funded
13 resources and locally funded resources.

14 **MICHIGAN FIRST HEALTHCARE PLAN**

15 Sec. 1501. (1) Funds appropriated in part 1 for the Michigan
16 first healthcare plan are contingent upon approval of a waiver from
17 the federal government.

18 (2) In addition to the funds appropriated in part 1 for the
19 Michigan first healthcare plan, up to \$300,000,000.00 in federal
20 funds shall be appropriated upon approval of a waiver from the
21 federal government.

22 Sec. 1502. Upon approval of a waiver from the federal
23 government for the Michigan first healthcare plan, the department
24 shall provide the senate and house of representatives
25 appropriations subcommittees on community health, the senate and
26 house fiscal agencies, and the state budget director with a report

1 detailing the process that will be utilized to determine which
2 insurance entities will be selected for participation in the
3 Michigan first healthcare plan. The department shall not award a
4 single-source contract to a health plan through the Michigan first
5 healthcare plan.

6 Sec. 1503. The department shall provide a copy of the
7 federally approved Michigan first healthcare plan or similar
8 proposal to the house of representatives and senate appropriations
9 subcommittees on community health, the house and senate fiscal
10 agencies, and the state budget director at least 60 days before
11 implementing any portion of the Michigan first healthcare plan or
12 other similar proposal.

13 **MEDICAL SERVICES**

14 Sec. 1601. The cost of remedial services incurred by residents
15 of licensed adult foster care homes and licensed homes for the aged
16 shall be used in determining financial eligibility for the
17 medically needy. Remedial services include basic self-care and
18 rehabilitation training for a resident.

19 Sec. 1602. Medical services shall be provided to elderly and
20 disabled persons with incomes less than or equal to 100% of the
21 official poverty level, pursuant to the state's option to elect
22 such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title
23 XIX, 42 USC 1396a.

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

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

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

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

10 (2) The department shall notify the senate and house of
11 representatives appropriations subcommittees on community health
12 and the state budget director of any proposed revisions to the
13 protected income level for Medicaid coverage related to the public
14 assistance standard 90 days prior to implementation.

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

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

26 (2) An applicant qualified as described in subsection (1)
27 shall be given a letter of authorization to receive Medicaid

1 covered services related to her pregnancy. All qualifying
2 applicants shall be entitled to receive all medically necessary
3 obstetrical and prenatal care without preauthorization from a
4 health plan. All claims submitted for payment for obstetrical and
5 prenatal care shall be paid at the Medicaid fee-for-service rate in
6 the event a contract does not exist between the Medicaid
7 participating obstetrical or prenatal care provider and the managed
8 care plan. The applicant shall receive a listing of Medicaid
9 physicians and managed care plans in the immediate vicinity of the
10 applicant's residence.

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

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

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

26 Sec. 1611. (1) For care provided to medical services
27 recipients with other third-party sources of payment, medical

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

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

18 Sec. 1620. (1) For fee-for-service recipients who do not
19 reside in nursing homes, the pharmaceutical dispensing fee shall be
20 \$2.50 or the pharmacy's usual or customary cash charge, whichever
21 is less. For nursing home residents, the pharmaceutical dispensing
22 fee shall be \$2.75 or the pharmacy's usual or customary cash
23 charge, whichever is less.

24 (2) The department shall require a prescription copayment for
25 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
26 brand-name drug, except as prohibited by federal or state law or
27 regulation.

1 Sec. 1621. The department may implement prospective drug
2 utilization review and disease management systems. The prospective
3 drug utilization review and disease management systems authorized
4 by this section shall have physician oversight, shall focus on
5 patient, physician, and pharmacist education, and shall be
6 developed in consultation with the national pharmaceutical council,
7 Michigan state medical society, Michigan association of osteopathic
8 physicians, Michigan pharmacists association, Michigan health and
9 hospital association, and Michigan nurses' association.

10 Sec. 1623. (1) The department shall continue the Medicaid
11 policy that allows for the dispensing of a 100-day supply for
12 maintenance drugs.

13 (2) The department shall notify all HMOs, physicians,
14 pharmacies, and other medical providers that are enrolled in the
15 Medicaid program that Medicaid policy allows for the dispensing of
16 a 100-day supply for maintenance drugs.

17 (3) The notice in subsection (2) shall also clarify that a
18 pharmacy shall fill a prescription written for maintenance drugs in
19 the quantity specified by the physician, but not more than the
20 maximum allowed under Medicaid, unless subsequent consultation with
21 the prescribing physician indicates otherwise.

22 Sec. 1625. The department shall continue its practice of
23 placing all atypical antipsychotic medications on the Medicaid
24 preferred drug list.

25 Sec. 1627. (1) The department shall use procedures and rebates
26 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,
27 to secure quarterly rebates from pharmaceutical manufacturers for

1 outpatient drugs dispensed to participants in the MIChild program,
2 maternal outpatient medical services program, children's special
3 health care services, and adult benefit waiver program.

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

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

11 Sec. 1630. (1) Medicaid coverage for podiatric services, adult
12 dental services, and chiropractic services shall continue at not
13 less than the level in effect on October 1, 2002, except that
14 reasonable utilization limitations may be adopted in order to
15 prevent excess utilization. The department shall not impose
16 utilization restrictions on chiropractic services unless a
17 recipient has exceeded 18 office visits within 1 year.

18 (2) The department may implement the bulk purchase of hearing
19 aids, impose limitations on binaural hearing aid benefits, and
20 limit the replacement of hearing aids to once every 3 years.

21 Sec. 1631. (1) The department shall require copayments on
22 dental, podiatric, chiropractic, vision, and hearing aid services
23 provided to Medicaid recipients, except as prohibited by federal or
24 state law or regulation.

25 (2) Except as otherwise prohibited by federal or state law or
26 regulations, the department shall require Medicaid recipients to
27 pay the following copayments:

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

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

3 (c) Fifty dollars for the first day of an inpatient hospital
4 stay.

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

6 Sec. 1635. From the funds appropriated in part 1 for physician
7 services and health plan services, the department shall continue
8 the increase in Medicaid reimbursement rates for obstetrical
9 services implemented in fiscal year 2005-2006.

10 Sec. 1636. From the funds appropriated in part 1 for physician
11 services and health plan services, the department shall continue
12 the increase in Medicaid reimbursement rates for physician well
13 child procedure codes and primary care procedure codes implemented
14 in fiscal year 2006-2007. The increased reimbursement rates in this
15 section shall not exceed the comparable Medicare payment rate for
16 the same services.

17 Sec. 1637. (1) All adult Medicaid recipients shall be offered
18 the opportunity to sign a Medicaid personal responsibility
19 agreement.

20 (2) The personal responsibility agreement shall include at
21 minimum the following provisions:

22 (a) That the recipient shall not smoke.

23 (b) That the recipient shall attend all scheduled medical
24 appointments.

25 (c) That the recipient shall exercise regularly.

26 (d) That if the recipient has children, those children shall
27 be up to date on their immunizations.

1 (e) That the recipient shall abstain from abusing controlled
2 substances and narcotics.

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

7 Sec. 1643. Of the funds appropriated in part 1 for graduate
8 medical education in the hospital services and therapy line-item
9 appropriation, not less than \$10,359,000.00 shall be allocated for
10 the psychiatric residency training program that establishes and
11 maintains collaborative relations with the schools of medicine at
12 Michigan State University and Wayne State University if the
13 necessary allowable Medicaid matching funds are provided by the
14 universities.

15 Sec. 1648. The department shall maintain an automated toll-
16 free telephone line and make available an online resource to enable
17 medical providers to obtain enrollment and benefit information of
18 Medicaid recipients. There shall be no charge to providers for the
19 use of the toll-free telephone line or online resource.

20 Sec. 1649. From the funds appropriated in part 1 for medical
21 services, the department shall continue breast and cervical cancer
22 treatment coverage for women up to 250% of the federal poverty
23 level, who are under age 65, and who are not otherwise covered by
24 insurance. This coverage shall be provided to women who have been
25 screened through the centers for disease control breast and
26 cervical cancer early detection program, and are found to have
27 breast or cervical cancer, pursuant to the breast and cervical

1 cancer prevention and treatment act of 2000, Public Law 106-354,
2 114 Stat. 1381.

3 Sec. 1650. (1) The department may require medical services
4 recipients residing in counties offering managed care options to
5 choose the particular managed care plan in which they wish to be
6 enrolled. Persons not expressing a preference may be assigned to a
7 managed care provider.

8 (2) Persons to be assigned a managed care provider shall be
9 informed in writing of the criteria for exceptions to capitated
10 managed care enrollment, their right to change HMOs for any reason
11 within the initial 90 days of enrollment, the toll-free telephone
12 number for problems and complaints, and information regarding
13 grievance and appeals rights.

14 (3) The criteria for medical exceptions to HMO enrollment
15 shall be based on submitted documentation that indicates a
16 recipient has a serious medical condition, and is undergoing active
17 treatment for that condition with a physician who does not
18 participate in 1 of the HMOs. If the person meets the criteria
19 established by this subsection, the department shall grant an
20 exception to mandatory enrollment at least through the current
21 prescribed course of treatment, subject to periodic review of
22 continued eligibility.

23 Sec. 1651. (1) Medical services patients who are enrolled in
24 HMOs have the choice to elect hospice services or other services
25 for the terminally ill that are offered by the HMOs. If the patient
26 elects hospice services, those services shall be provided in
27 accordance with part 214 of the public health code, 1978 PA 368,

1 MCL 333.21401 to 333.21420.

2 (2) The department shall not amend the medical services
3 hospice manual in a manner that would allow hospice services to be
4 provided without making available all comprehensive hospice
5 services described in 42 CFR 418.

6 Sec. 1653. Implementation and contracting for managed care by
7 the department through HMOs shall be subject to the following
8 conditions:

9 (a) Continuity of care is assured by allowing enrollees to
10 continue receiving required medically necessary services from their
11 current providers for a period not to exceed 1 year if enrollees
12 meet the managed care medical exception criteria.

13 (b) The department shall require contracted HMOs to submit
14 data determined necessary for evaluation on a timely basis.

15 (c) Mandatory enrollment of Medicaid beneficiaries living in
16 counties defined as rural by the federal government, which is any
17 nonurban standard metropolitan statistical area, is allowed if
18 there is only 1 HMO serving the Medicaid population, as long as
19 each Medicaid beneficiary is assured of having a choice of at least
20 2 physicians by the HMO.

21 (d) Enrollment of recipients of children's special health care
22 services in HMOs shall be voluntary during the fiscal year.

23 (e) The department shall develop a case adjustment to its rate
24 methodology that considers the costs of persons with HIV/AIDS, end
25 stage renal disease, organ transplants, and other high-cost
26 diseases or conditions and shall implement the case adjustment when
27 it is proven to be actuarially and fiscally sound. Implementation

1 of the case adjustment must be budget neutral.

2 (f) Prior to contracting with an HMO for managed care services
3 that did not have a contract with the department before October 1,
4 2002, the department shall receive assurances from the office of
5 financial and insurance services that the HMO meets the net worth
6 and financial solvency requirements contained in chapter 35 of the
7 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

8 Sec. 1654. Medicaid HMOs shall provide for reimbursement of
9 HMO covered services delivered other than through the HMO's
10 providers if medically necessary and approved by the HMO,
11 immediately required, and that could not be reasonably obtained
12 through the HMO's providers on a timely basis. Such services shall
13 be considered approved if the HMO does not respond to a request for
14 authorization within 24 hours of the request. Reimbursement shall
15 not exceed the Medicaid fee-for-service payment for those services.

16 Sec. 1655. (1) The department may require a 12-month lock-in
17 to the HMO selected by the recipient during the initial and
18 subsequent open enrollment periods, but allow for good cause
19 exceptions during the lock-in period.

20 (2) Medicaid recipients shall be allowed to change HMOs for
21 any reason within the initial 90 days of enrollment.

22 Sec. 1656. (1) The department shall provide an expedited
23 complaint review procedure for Medicaid eligible persons enrolled
24 in HMOs for situations in which failure to receive any health care
25 service would result in significant harm to the enrollee.

26 (2) The department shall provide for a toll-free telephone
27 number for Medicaid recipients enrolled in managed care to assist

1 with resolving problems and complaints. If warranted, the
2 department shall immediately disenroll persons from managed care
3 and approve fee-for-service coverage.

4 Sec. 1657. (1) Reimbursement for medical services to screen
5 and stabilize a Medicaid recipient, including stabilization of a
6 psychiatric crisis, in a hospital emergency room shall not be made
7 contingent on obtaining prior authorization from the recipient's
8 HMO. If the recipient is discharged from the emergency room, the
9 hospital shall notify the recipient's HMO within 24 hours of the
10 diagnosis and treatment received.

11 (2) If the treating hospital determines that the recipient
12 will require further medical service or hospitalization beyond the
13 point of stabilization, that hospital must receive authorization
14 from the recipient's HMO prior to admitting the recipient.

15 (3) Subsections (1) and (2) shall not be construed as a
16 requirement to alter an existing agreement between an HMO and their
17 contracting hospitals nor as a requirement that an HMO must
18 reimburse for services that are not considered to be medically
19 necessary.

20 Sec. 1658. (1) HMOs shall have contracts with hospitals within
21 a reasonable distance from their enrollees. If a hospital does not
22 contract with the HMO in its service area, that hospital shall
23 enter into a hospital access agreement as specified in the MSA
24 bulletin Hospital 01-19.

25 (2) A hospital access agreement specified in subsection (1)
26 shall be considered an affiliated provider contract pursuant to the
27 requirements contained in chapter 35 of the insurance code of 1956,

1 1956 PA 218, MCL 500.3501 to 500.3580.

2 Sec. 1659. The following sections of this act are the only
3 ones that shall apply to the following Medicaid managed care
4 programs, including the comprehensive plan, MIChoice long-term care
5 plan, and the mental health, substance abuse, and developmentally
6 disabled services program: 401, 402, 404, 411, 414, 418, 424, 428,
7 456, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1660,
8 1661, 1662, 1699, and 1711.

9 Sec. 1660. (1) The department shall assure that all Medicaid
10 children have timely access to EPSDT services as required by
11 federal law. Medicaid HMOs shall provide EPSDT services to their
12 child members in accordance with Medicaid EPSDT policy.

13 (2) The primary responsibility of assuring a child's hearing
14 and vision screening is with the child's primary care provider. The
15 primary care provider shall provide age-appropriate screening or
16 arrange for these tests through referrals to local health
17 departments. Local health departments shall provide preschool
18 hearing and vision screening services and accept referrals for
19 these tests from physicians or from Head Start programs in order to
20 assure all preschool children have appropriate access to hearing
21 and vision screening. Local health departments shall be reimbursed
22 for the cost of providing these tests for Medicaid eligible
23 children by the Medicaid program.

24 (3) The department shall prohibit HMOs from requiring prior
25 authorization of their contracted providers for any EPSDT screening
26 and diagnosis services.

27 (4) The department shall require HMOs to be responsible for

1 well child visits as described in Medicaid policy. These
2 responsibilities shall be specified in the information distributed
3 by the HMOs to their members.

4 (5) The department shall provide, on an annual basis, budget
5 neutral incentives to Medicaid HMOs and local health departments to
6 improve performance on measures related to the care of children.

7 Sec. 1661. (1) The department shall assure that all Medicaid
8 eligible children and pregnant women have timely access to MSS/ISS
9 services. Medicaid HMOs shall assure that maternal support service
10 screening is available to their pregnant members and that those
11 women found to meet the maternal support service high-risk criteria
12 are offered maternal support services. Local health departments
13 shall assure that maternal support service screening is available
14 for Medicaid pregnant women not enrolled in an HMO and that those
15 women found to meet the maternal support service high-risk criteria
16 are offered maternal support services or are referred to a
17 certified maternal support service provider.

18 (2) The department shall prohibit HMOs from requiring prior
19 authorization of their contracted providers for any MSS/ISS
20 screening referral, or for up to 3 MSS/ISS service visits.

21 (3) The department shall require HMOs to be responsible for
22 maternal and infant support services as described in Medicaid
23 policy. These responsibilities shall be specified in the
24 information distributed by the HMOs to their members.

25 (4) The department shall assure the coordination of MSS/ISS
26 services with the WIC program, state-supported substance abuse,
27 smoking prevention, and violence prevention programs, the

1 department of human services, and any other state or local program
2 with a focus on preventing adverse birth outcomes and child abuse
3 and neglect.

4 (5) The department shall provide, on an annual basis, budget
5 neutral incentives to Medicaid HMOs and local health departments to
6 improve performance on measures related to the care of pregnant
7 women.

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

13 (2) The department shall require Medicaid HMOs to provide
14 EPSDT utilization data through the encounter data system, and
15 health employer data and information set well child health measures
16 in accordance with the National Committee on Quality Assurance
17 prescribed methodology.

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

25 (4) The department shall work with the Michigan association of
26 health plans and the Michigan association for local public health
27 to improve service delivery and coordination in the MSS/ISS and

1 EPSDT programs.

2 (5) The department shall assure that training and technical
3 assistance are available for EPSDT and MSS/ISS for Medicaid health
4 plans, local health departments, and MSS/ISS contractors.

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

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

23 (3) Children whose category of eligibility changes between the
24 Medicaid and MICHild programs shall be assured of keeping their
25 current health care providers through the current prescribed course
26 of treatment for up to 1 year, subject to periodic reviews by the
27 department if the beneficiary has a serious medical condition and

1 is undergoing active treatment for that condition.

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

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

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

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

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

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

24 Sec. 1673. The department may establish premiums for MICHild
25 eligible persons in families with income above 150% of the federal
26 poverty level. The monthly premiums shall not be less than \$10.00
27 or exceed \$15.00 for a family.

1 Sec. 1677. The MICHild program shall provide all benefits
2 available under the state employee insurance plan that are
3 delivered through contracted providers and consistent with federal
4 law, including, but not limited to, the following medically
5 necessary services:

6 (a) Inpatient mental health services, other than substance
7 abuse treatment services, including services furnished in a state-
8 operated mental hospital and residential or other 24-hour
9 therapeutically planned structured services.

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

13 (c) Durable medical equipment and prosthetic and orthotic
14 devices.

15 (d) Dental services as outlined in the approved MICHild state
16 plan.

17 (e) Substance abuse treatment services that may include
18 inpatient, outpatient, and residential substance abuse treatment
19 services.

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

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

23 (h) Emergency ambulance services.

24 Sec. 1680. Payment increases for enhanced wages and new or
25 enhanced employee benefits provided in previous years through the
26 Medicaid nursing home wage pass-through program shall be continued.

27 Sec. 1681. From the funds appropriated in part 1 for home- and

1 community-based services, the department and local waiver agents
2 shall encourage the use of family members, friends, and neighbors
3 of home- and community-based services participants, where
4 appropriate, to provide homemaker services, meal preparation,
5 transportation, chore services, and other nonmedical covered
6 services to participants in the Medicaid home- and community-based
7 services program. This section shall not be construed as allowing
8 for the payment of family members, friends, or neighbors for these
9 services unless explicitly provided for in federal or state law.

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

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

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

23 (4) Any unexpended penalty money, at the end of the year,
24 shall carry forward to the following year.

25 Sec. 1683. The department shall promote activities that
26 preserve the dignity and rights of terminally ill and chronically
27 ill individuals. Priority shall be given to programs, such as

1 hospice, that focus on individual dignity and quality of care
2 provided persons with terminal illness and programs serving persons
3 with chronic illnesses that reduce the rate of suicide through the
4 advancement of the knowledge and use of improved, appropriate pain
5 management for these persons; and initiatives that train health
6 care practitioners and faculty in managing pain, providing
7 palliative care, and suicide prevention.

8 Sec. 1685. All nursing home rates, class I and class III, must
9 have their respective fiscal year rate set 30 days prior to the
10 beginning of their rate year. Rates may take into account the most
11 recent cost report prepared and certified by the preparer, provider
12 corporate owner or representative as being true and accurate, and
13 filed timely, within 5 months of the fiscal year end in accordance
14 with Medicaid policy. If the audited version of the last report is
15 available, it shall be used. Any rate factors based on the filed
16 cost report may be retroactively adjusted upon completion of the
17 audit of that cost report.

18 Sec. 1688. The department shall not impose a limit on per unit
19 reimbursements to service providers that provide personal care or
20 other services under the Medicaid home- and community-based
21 services waiver program for the elderly and disabled. The
22 department's per day per client reimbursement cap calculated in the
23 aggregate for all services provided under the Medicaid home- and
24 community-based services waiver is not a violation of this section.

25 Sec. 1689. (1) Priority in enrolling additional persons in the
26 Medicaid home- and community-based services waiver program shall be
27 given to those who are currently residing in nursing homes or who

1 are eligible to be admitted to a nursing home if they are not
2 provided home- and community-based services. The department shall
3 use screening and assessment procedures to assure that no
4 additional Medicaid eligible persons are admitted to nursing homes
5 who would be more appropriately served by the Medicaid home- and
6 community-based services waiver program.

7 (2) Within 60 days of the end of each fiscal quarter, the
8 department shall provide a report to the senate and house
9 appropriations subcommittees on community health and the senate and
10 house fiscal agencies that details existing and future allocations
11 for the home- and community-based services waiver program by
12 regions as well as the associated expenditures. The report shall
13 include information regarding the net cost savings from moving
14 individuals from a nursing home to the home- and community-based
15 services waiver program, the number of individuals transitioned
16 from nursing homes to the home- and community-based services waiver
17 program, the number of individuals on waiting lists by region for
18 the program, and the amount of funds transferred during the fiscal
19 quarter. The report shall also include the number of Medicaid
20 individuals served and the number of days of care for the home- and
21 community-based services waiver program and in nursing homes.

22 (3) The department shall continue to develop a system to
23 collect and analyze information regarding individuals on the home-
24 and community-based services waiver waiting list to identify the
25 community supports they receive, including, but not limited to,
26 adult home help, food stamps, and housing assistance services and
27 to determine the extent to which these community supports help

1 individuals remain in their home and avoid entry into a nursing
2 home. The department shall provide a progress report on
3 implementation to the senate and house appropriations subcommittees
4 on community health and the senate and house fiscal agencies by
5 June 1 of the current fiscal year.

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

16 (2) From the funds appropriated in part 1 for medical services
17 school services payments, the department is authorized to do all of
18 the following:

19 (a) Finance activities within the medical services
20 administration related to this project.

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

24 (c) Offset general fund costs associated with the medical
25 services program.

26 Sec. 1693. The special Medicaid reimbursement appropriation in
27 part 1 may be increased if the department submits a medical

1 services state plan amendment pertaining to this line item at a
2 level higher than the appropriation. The department is authorized
3 to appropriately adjust financing sources in accordance with the
4 increased appropriation.

5 Sec. 1694. The department of community health shall distribute
6 \$695,000.00 to children's hospitals that have a high indigent care
7 volume. The amount to be distributed to any given hospital shall be
8 based on a formula determined by the department of community
9 health.

10 Sec. 1697. (1) As may be allowed by federal law or regulation,
11 the department may use funds provided by a local or intermediate
12 school district, which have been obtained from a qualifying health
13 system, as the state match required for receiving federal Medicaid
14 or children health insurance program funds. Any such funds received
15 shall be used only to support new school-based or school-linked
16 health services.

17 (2) A qualifying health system is defined as any health care
18 entity licensed to provide health care services in the state of
19 Michigan, that has entered into a contractual relationship with a
20 local or intermediate school district to provide or manage school-
21 based or school-linked health services.

22 Sec. 1699. The department may make separate payments directly
23 to qualifying hospitals serving a disproportionate share of
24 indigent patients in the amount of \$45,000,000.00, and to hospitals
25 providing graduate medical education training programs. If direct
26 payment for GME and DSH is made to qualifying hospitals for
27 services to Medicaid clients, hospitals will not include GME costs

1 or DSH payments in their contracts with HMOs.

2 Sec. 1711. (1) The department shall maintain the 2-tier
3 reimbursement methodology for Medicaid emergency physicians
4 professional services that was in effect on September 30, 2002,
5 subject to the following conditions:

6 (a) Payments by case and in the aggregate shall not exceed 70%
7 of Medicare payment rates.

8 (b) Total expenditures for these services shall not exceed the
9 level of total payments made during fiscal year 2001-2002, after
10 adjusting for Medicare copayments and deductibles and for changes
11 in utilization.

12 (2) To ensure that total expenditures stay within the spending
13 constraints of subsection (1)(b), the department shall develop a
14 utilization adjustor for the basic 2-tier payment methodology. The
15 adjustor shall be based on a good faith estimate by the department
16 as to what the expected utilization of emergency room services will
17 be during fiscal year 2008-2009, given changes in the number and
18 category of Medicaid recipients. If expenditure and utilization
19 data indicate that the amount and/or type of emergency physician
20 professional services are exceeding the department's estimate, the
21 utilization adjustor shall be applied to the 2-tier reimbursement
22 methodology in such a manner as to reduce aggregate expenditures to
23 the fiscal year 2001-2002 adjusted expenditure target.

24 Sec. 1718. The department shall provide each Medicaid adult
25 home help beneficiary or applicant with the right to a fair hearing
26 when the department or its agent reduces, suspends, terminates, or
27 denies adult home help services. If the department takes action to

1 reduce, suspend, terminate, or deny adult home help services, it
2 shall provide the beneficiary or applicant with a written notice
3 that states what action the department proposes to take, the
4 reasons for the intended action, the specific regulations that
5 support the action, and an explanation of the beneficiary's or
6 applicant's right to an evidentiary hearing and the circumstances
7 under which those services will be continued if a hearing is
8 requested.

9 Sec. 1722. (1) From the funds appropriated in part 1 for
10 special Medicaid reimbursement payments, the department is
11 authorized to make a disproportionate share payment of
12 \$33,167,700.00 for health services provided by Hutzel Hospital.

13 (2) The funding authorized under subsection (1) shall only be
14 expended if the necessary Medicaid matching funds are provided by,
15 or on behalf of, the hospital as allowable state match.

16 Sec. 1731. The department shall continue an asset test to
17 determine Medicaid eligibility for individuals who are parents,
18 caretaker relatives, or individuals between the ages of 18 and 21
19 and who are not required to be covered under federal Medicaid
20 requirements.

21 Sec. 1734. The department shall seek federal funds that will
22 permit the state to provide financial incentives for positive
23 health behavior practiced by Medicaid recipients. The structure of
24 this incentive program may be similar to programs in other states
25 that authorize monetary rewards to be deposited in individual
26 accounts for Medicaid recipients who demonstrate positive changes
27 in health behavior.

1 Sec. 1740. From the funds appropriated in part 1 for health
2 plan services, the department shall assure that all GME funds
3 continue to be promptly distributed to qualifying hospitals using
4 the methodology developed in consultation with the graduate medical
5 education advisory group during FY2007.

6 Sec. 1742. The department shall allow the retention of
7 \$1,000,000.00 in special Medicaid reimbursement funding by any
8 public hospital that meets each of the following criteria:

9 (a) The hospital participates in the intergovernmental
10 transfers.

11 (b) The hospital is not affiliated with a university.

12 (c) The hospital provides surgical services.

13 (d) The hospital has at least 10,000 Medicaid bed days.