

# FY 2018-19: DEPARTMENT OF HEALTH AND HUMAN SERVICES

## Summary: As Passed by the Senate Senate Bill 856 (S-1)



Analysts: Susan Frey, Kevin Koorstra, and Viola Wild

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: House From FY 2017-18 YTD	
						Amount	%
<b>IDG/IDT</b>	\$13,640,900	\$13,813,700	\$13,813,700	\$13,813,700		\$172,800	1.3
<b>Federal</b>	18,406,770,700	17,955,593,700	17,881,537,800	17,854,238,700		(552,532,000)	(3.0)
<b>Local</b>	116,545,300	123,112,900	123,112,900	120,871,100		4,325,800	3.7
<b>Private</b>	149,875,700	148,409,900	148,409,900	148,989,500		(886,200)	(0.6)
<b>Restricted</b>	2,441,939,800	2,456,898,500	2,461,848,200	2,461,898,500		19,958,700	0.8
<b>GF/GP</b>	4,380,531,400	4,542,525,600	4,508,901,800	4,518,090,900		137,559,500	3.1
<b>Gross</b>	<b>\$25,509,303,800</b>	<b>\$25,240,354,300</b>	<b>\$25,137,624,300</b>	<b>\$25,117,902,400</b>		<b>(\$391,401,400)</b>	<b>(1.5)</b>
<b>FTEs</b>	15,626.5	15,618.7	15,618.7	15,616.7		(9.8)	(0.1)

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

### Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws, funding for behavioral health (mental health and substance use disorder), population health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

### Major Budget Changes From FY 2017-18 YTD Appropriations

#### MEDICAID AND BEHAVIORAL HEALTH – GENERAL

##### 1. Traditional Medicaid Cost Adjustments

Executive provides increase of \$89.6 million Gross (\$72.3 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments. Total includes \$37.1 million GF/GP to offset decline in federal match rate from 64.78% to 64.45% due to relative growth in state's personal income. Compared to FY 2016-17 expenditures, State Budget Office forecasts an average annual increase of 3.9%. House revises average annual increase down to 3.5%, which provides a reduction of \$8.8 million Gross (increase of \$37.3 million GF/GP). Senate revises average annual increase down to 3.5%, which provides a reduction of \$1.3 million Gross (increase of \$36.8 million GF/GP).

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
<b>Gross</b>	<b>\$13,352,197,800</b>	<b>(\$1,304,200)</b>
Federal	8,659,726,100	(45,300,100)
Local	47,247,100	491,700
Private	2,100,000	0
Restricted	2,100,350,400	6,711,500
GF/GP	\$2,542,774,200	\$36,792,700

##### 2. Healthy Michigan Plan Cost Adjustments

Executive provides reduction of \$132.1 million Gross (increase of \$24.1 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments. Total includes \$33.0 million GF/GP to offset decline in federal match rate from 94.25% to 93.25%. Compared to FY 2016-17 expenditures, State Budget Office forecasts an average annual increase of 6%. House and Senate concur with the Executive.

	Gross	\$4,173,374,700	(\$132,081,300)
Federal	3,930,920,900		(165,099,900)
Local	651,100		328,600
Restricted	50,955,200		8,634,400
GF/GP	\$190,847,500		\$24,055,600

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>
<b>3. Actuarial Soundness Adjustments</b>	<b>Gross</b>	<b>NA</b>
<u>Executive</u> includes \$140.1 million Gross (\$39.0 million GF/GP) to support an estimated 2% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs) and an estimated 1.5% actuarial soundness adjustment for Medicaid health plans and Healthy Kids Dental. <u>House</u> concurs with the Executive. <u>Senate</u> adds 2 \$100 placeholders for both PIHP and Medicaid health plan actuarial soundness adjustments.	Federal	NA
	GF/GP	NA
		<b>\$140,080,200</b>
		101,086,800
		\$38,993,400
<b>DEPARTMENTAL ADMINISTRATION</b>		
<b>4. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>
<u>Executive</u> reflects increased costs of \$32.8 million Gross (\$16.7 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges for state-owned buildings, and other economic adjustments. <u>House</u> and <u>Senate</u> concur with the Executive.	IDG	NA
	TANF	NA
	Federal	NA
	Local	NA
	Private	NA
	Restricted	NA
	GF/GP	NA
		<b>\$32,774,900</b>
		134,500
		5,222,100
		10,027,000
		150,400
		72,300
		442,600
		\$16,726,000
<b>5. Property Management</b>	<b>Gross</b>	<b>\$64,339,500</b>
<u>Executive</u> includes increase of \$859,300 Gross (\$455,100 GF/GP), about 2%, for non-state-owned building lease costs for the Department; current year charges paid for state-owned buildings is \$19.8 million and \$44.5 million for non-state-owned buildings. \$767,300 of increased costs for state-owned buildings is included in "Economics Adjustments" item above. <u>House</u> and <u>Senate</u> concur with the Executive.	IDG	593,500
	TANF	10,314,200
	Federal	24,648,600
	Private	36,400
	Restricted	166,500
	GF/GP	\$28,580,300
		<b>\$859,300</b>
		0
		183,400
		220,800
		0
		0
		\$455,100
<b>6. Merger Savings</b>	<b>Gross</b>	<b>\$109,342,700</b>
<u>House</u> assumes savings resulting from the 2015 merger creating the Department with a reduction to the departmental administration and management line item of \$2.0 million GF/GP. <u>Senate</u> does not include.	IDG	676,200
	TANF	9,018,200
	Federal	54,821,900
	Restricted	674,900
	GF/GP	\$44,151,500
		<b>\$0</b>
		0
		0
		0
		0
		\$0
<b>HUMAN SERVICES</b>		
<b>7. Food Assistance Program Caseload Adjustments</b>	<b>Gross</b>	<b>\$2,348,117,400</b>
<u>Executive</u> reduces the federally funded Food Assistance Program (FAP) by \$415.1 million Gross (\$0 GF/GP) for caseload adjustments. Reduction based on caseload estimates decreasing from 854,072 cases at \$229.11 per month to 683,950 at \$235.52 per month. <u>House</u> and <u>Senate</u> concur with the Executive.	Federal	2,342,117,400
	Restricted	6,000,000
	GF/GP	\$0
		<b>(\$415,110,400)</b>
		(415,110,400)
		0
		\$0
<b>8. Other Public Assistance Caseload Adjustments</b>	<b>Gross</b>	<b>\$152,200,000</b>
<u>Executive</u> reduces funding for other public assistance programs by \$3.0 million Gross (\$6.9 million GF/GP) as follows:	TANF	54,040,700
<ul style="list-style-type: none"> <li>• Family Independence Program (FIP) is reduced \$2.2 million Gross (\$6.1 million GF/GP) adjusting the monthly caseload estimate from 18,200 cases at \$349.50 per month to 17,938 cases at \$344.38 per month.</li> <li>• State Disability Assistance (SDA) is reduced by \$620,200 GF/GP adjusting the monthly caseload estimate from 3,600 cases at \$216.67 per month to 3,363 cases at \$216.57 per month.</li> <li>• State Supplementation is reduced by \$135,900 GF/GP adjusting the monthly caseload estimate from 268,268 cases at \$18.79 per month to 266,672 cases at \$18.86 per month.</li> </ul>	Restricted	15,411,700
	GF/GP	\$82,747,600
		<b>(\$5,720,600)</b>
		3,035,500
		102,900
		(\$8,859,000)
<u>House</u> concurs with the Executive. <u>Senate</u> concurs with the Executive for caseload adjustments for SDA and State Supplementation, but reduces FIP program funding by \$5.0 million Gross (\$8.1 million GF/GP).		

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>
<b>9. Child Welfare Caseload Adjustments</b>		<b>Gross</b>	<b>\$622,467,300</b>
<u>Executive</u> increases funding for child welfare programs by \$40.3 million Gross (\$30.2 million GF/GP) as follows:		Federal	196,452,100
<ul style="list-style-type: none"> <li>Foster care payments are increased by \$36.5 million Gross (\$21.0 million GF/GP) from 5,800 cases at \$31,643 per year to 6,620 cases at \$33,244 per year.</li> <li>Adoption subsidies are reduced by \$5.7 million Gross (\$2.0 million GF/GP) from 23,406 cases at \$732.00 per month to 22,791 cases at \$731.00 per month.</li> <li>The Child Care Fund is increased by \$10.0 million GF/GP.</li> <li>Guardianship assistance payments are increased by \$1.2 million Gross (\$1.1 million GF/GP) from 1,200 cases at \$778.00 per month to 1,342 cases at \$768.61 per month.</li> <li>Family Support Subsidies (FSS) are reduced by \$1.7 million Gross (\$0 GF/GP) from 6,360 cases at \$222.11 per month to 5,716 cases at the same monthly rate.</li> </ul>		TANF	103,537,500
		Local	14,244,900
		Private	2,929,800
		GF/GP	\$305,303,000
<u>House</u> concurs with the Executive. <u>Senate</u> concurs with the Executive for caseload adjustments for Adoption and FSS, but increases Foster Care Payments by \$18.3 million Gross (\$10.5 million GF/GP) and increases the Child Care Fund by \$5.0 million GF/GP.			\$17,049,400
			2,235,100
			(1,470,200)
			2,241,700
			(579,500)
			\$14,622,300
<b>10. Foster Care Administrative Rate – Elimination of County Hold-Harmless Provision</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> reduces state funding by \$8.0 million GF/GP to recognize the savings to the state of rescinding the county hold-harmless provisions that require DHHS to pay 100% of the foster care administrative rates to private agencies for all new cases beginning October 1, 2013 and 100% of the recent rate increases. Requires counties to pay 50% of all administrative rates for private foster care placing agencies paid for out of the Child Care Fund beginning in FY 2018-19. <u>House</u> concurs with the Executive. <u>Senate</u> retains current year funding and county hold-harmless payment structure.		GF/GP	NA
			\$0
			\$0
<b>11. Crime Victim Advocates Funding Increase</b>		<b>Gross</b>	<b>NA</b>
<u>House</u> includes \$2.0 million GF/GP to increase grant funding in the Crime Victim Rights Services Grants line item to fund, train, and support additional crime victim advocates in the criminal justice system. <u>Senate</u> does not include additional funding.		GF/GP	NA
			\$0
			\$0
<b>12. Foster Care Relative Caregiver Licensure Payments</b>		<b>Gross</b>	<b>\$3,500,000</b>
<u>Executive</u> eliminates \$1.0 million GF/GP for increased payments to child placing agencies for the completed licensure of relative caregivers. Payments were increased in FY 2017-18. <u>House</u> concurs with the Executive to eliminate the recent increase and reduces funding by an additional \$500,000 GF/GP based on historic spending. <u>Senate</u> retains current year funding.		GF/GP	\$3,500,000
			\$0
			\$0
<b>13. Runaway and Homeless Youth Services Contracts</b>		<b>Gross</b>	<b>NA</b>
<u>House</u> includes \$750,000 GF/GP to increase funding to contracted providers that provide services and housing to runaway and homeless youth. <u>Senate</u> does not include additional funding.		GF/GP	NA
			\$0
			\$0
<b>14. Children’s Trust Fund (CTF)</b>		<b>Gross</b>	<b>\$3,327,700</b>
<u>Executive</u> includes \$800,000 restricted funding to enable the CTF Board to spend cash reserve balance for grants over the next 3 years. <u>House</u> concurs with the Executive and includes an additional \$200,000 GF/GP to increase funding for grants with the intent that half of the \$1.0 million increase be used for programs that help address substance use disorders. New related boilerplate in Sec. 508(3). <u>Senate</u> concurs with the Executive.		Federal	1,053,300
		Restricted	2,091,900
		GF/GP	\$182,500
			\$800,000
			0
			800,000
			\$0
			\$0
<b>15. Adoptive Support Services Administration Rates</b>		<b>Gross</b>	<b>\$27,283,500</b>
<u>Senate</u> provides additional \$1.8 million Gross (\$1.0 million GF/GP) to fund a 10% rate increase to private agencies for adoption services.		TANF	1,368,000
		Federal	11,864,600
		GF/GP	\$14,050,900
			\$1,750,000
			0
			750,000
			\$1,000,000

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>
<b>16. Family Independence Program (FIP) Inflationary Adjustment</b>	<b>Gross</b>	<b>\$82,350,800</b>	<b>\$0</b>
<u>Executive</u> includes additional \$1.0 million federal TANF funding to provide a 1.2% inflationary adjustment in benefits. The funding would increase benefits by approximately \$2.00 per person per month. <u>House</u> includes a \$100 GF/GP placeholder for the increase and uses the \$1.0 million TANF funding recommended by the Executive to offset GF/GP. <u>Senate</u> does not include additional funding.	TANF	54,040,700	0
	Restricted	11,259,000	0
	GF/GP	\$17,051,100	\$0
<b>17. Heat and Eat Program Continuance</b>	<b>Gross</b>	<b>NA</b>	<b>(\$2,500,000)</b>
<u>Executive</u> eliminates the \$2.5 million GF/GP portion of the Heat and Eat program. The number of eligible cases not already receiving the enhanced FAP benefits is less than estimated and federal funding is available to fund the program without GF/GP support. Program provides energy assistance payments of \$20.01 to certain FAP cases making them potentially eligible for additional FAP benefits. <u>House</u> and <u>Senate</u> concur with the Executive.	Federal	NA	0
	GF/GP	NA	(\$2,500,000)
<b>18. Multicultural Integration Funding Increase – One-Time Funding</b>	<b>Gross</b>	<b>\$15,303,800</b>	<b>\$1,381,100</b>
<u>Executive</u> includes \$1.4 million GF/GP one-time funding for various multicultural organizations that provide social services programs to specific populations. YTD amount is current ongoing amount. <u>House</u> and <u>Senate</u> concur with the Executive.	TANF	421,000	0
	Federal	694,500	0
	GF/GP	\$14,188,300	\$1,381,100
<b>19. Family Support Subsidy (FSS)</b>	<b>Gross</b>	<b>\$16,951,400</b>	<b>\$1,017,600</b>
<u>Senate</u> provides additional \$1.0 million TANF funding to increase funding for the FSS program which provides monthly support payments to income-eligible families with severely disabled children.	TANF	16,951,400	1,017,600
	GF/GP	\$0	\$0
<b>20. Donated Funds Positions Reduction</b>	FTE	288.0	(50.0)
<u>Executive</u> eliminates 50.0 FTE authorizations from the Donated Funds Positions line item to better align FTE authorizations with the amount of currently-filled positions and funding available to support those FTEs. Reduces funding by \$5.7 million Gross (\$0 GF/GP). <u>House</u> and <u>Senate</u> concur with the Executive.	<b>Gross</b>	<b>\$32,702,700</b>	<b>(\$5,675,900)</b>
	IDG	266,200	0
	TANF	1,661,300	0
	Federal	15,391,200	(3,540,000)
	Private	9,600,500	(379,000)
	Local	5,783,500	(1,756,900)
	GF/GP	\$0	\$0
<b>21. Centers for Independent Living</b>	<b>Gross</b>	<b>\$12,031,600</b>	<b>\$3,000,000</b>
<u>Senate</u> provides additional \$3.0 million GF/GP for the Centers for Independent Living program.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	\$3,570,000	\$3,000,000
<b>22. Adult Protective Services Court Appointed Guardians and Conservators</b>	<b>Gross</b>	<b>\$350,000</b>	<b>\$0</b>
<u>House</u> includes additional \$210,000 GF/GP to support an increase in the rate paid to adult protective services guardianship providers. The increase would raise the current monthly rate from \$60 to \$83. Combined with similar revisions in Medicaid and Behavioral Health, the total recommended increase is \$1.3 million Gross (\$2.2 million GF/GP). <u>Senate</u> does not include additional funding.	Federal	224,000	0
	GF/GP	\$126,000	\$0
<b>23. Human Services Program Eliminations</b>	<b>Gross</b>	<b>\$780,000</b>	<b>\$250,000</b>
<u>Executive</u> eliminates funding for several programs as follows: \$250,000 GF/GP for Adoptive Family Support Network, \$280,000 GF/GP for Muskegon Covenant Academy, and \$250,000 GF/GP for Supplemental Security Income (SSI) Advocacy Legal Services. <u>House</u> concurs with the Executive, but leaves a \$100 GF/GP placeholder for the Adoptive Family Support Network. <u>Senate</u> funds the Muskegon Covenant Academy at current year funding, increases the Adoptive Family Support Network by \$75,000 through boilerplate appropriation (Sec. 809) which directs funding from a staffing line item, and increases the SSI Advocacy Legal Services contract by \$250,000 GF/GP.	GF/GP	\$780,000	\$250,000

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>			
<b>24. TANF Offset of GF/GP Funding</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> appropriates \$3.0 million TANF to the Family Independence Program (FIP) line item to offset \$3.0 million GF/GP. <u>Senate</u> offsets \$5.0 million GF/GP with TANF in both the FIP line item and the Public Assistance Field Staff line item for a total of \$10.0 million GF/GP savings.	TANF	NA	10,000,000
	GF/GP	NA	(\$10,000,000)
<b>25. Federal Revenues Fund Source Identification</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> rolls up the "Capped Federal Revenues" fund source, the "Temporary Aid to Needy Families (TANF)" fund source, and the "Total Other Federal Revenues" fund source into one general "Other Federal Revenues" fund source throughout the bill. <u>House</u> and <u>Senate</u> retain current year federal funding format.	TANF	NA	0
	Federal	NA	0
	GF/GP	NA	\$0
<b>BEHAVIORAL HEALTH</b>			
<b>26. Mental Health and Wellness Commission Recommendations</b>	<b>Gross</b>	<b>\$18,895,000</b>	<b>(\$9,500,100)</b>
<u>Executive</u> reduces \$7.5 million Gross (\$5.3 million GF/GP) for Mental Health and Wellness Commission Recommendations. Program would have \$11.4 million Gross (\$3.8 million GF/GP) in available ongoing funding for the psychiatric transitional unit and children's behavioral action team and other programming, in addition to available work project authorization. Reduction includes \$500,000 GF/GP transferred to Department of Education. <u>House</u> reduces \$9.5 million Gross (\$6.3 million GF/GP). <u>Senate</u> includes \$100 point of different to House reduction.	Federal	9,861,100	(3,241,600)
	GF/GP	\$9,033,900	(\$6,258,500)
<b>27. Sec. 298. Behavioral Health Integration Implementation</b>	FTEs	3.0	0.0
<u>House</u> reduces funding added in FY 2016-17 and FY 2017-18 for implementation costs of behavioral health integration pilot projects and demonstration model. Funding was added to support a project facilitator, project evaluations, actuarial rate setting, contractual services, and staffing. <u>Senate</u> retains current year funding.	<b>Gross</b>	<b>\$3,088,200</b>	<b>\$0</b>
	Federal	2,088,200	0
	GF/GP	\$1,000,000	\$0
<b>28. Student Outreach Services Grant Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$10,000,000</b>
<u>Senate</u> includes \$10.0 million GF/GP to support a mental health and intervention grant program in schools. Grants would be available to public school districts or other local entities for the purposes of coordinating, improving, and providing responsive mental health services to students and families.	GF/GP	\$0	\$10,000,000
<b>29. Medicaid Autism Services</b>	<b>Gross</b>	<b>\$105,097,300</b>	<b>(\$19,690,600)</b>
<u>House</u> reduces \$40.0 million Gross (\$13.9 million GF/GP) in Medicaid autism services by capping Medicaid autism reimbursement rates at 75% of the federal Department of Defense's TRICARE reimbursement rates. Sec. 924 is related boilerplate. <u>Senate</u> reduces \$19.7 million Gross (\$7.0 million GF/GP) by requiring DHHS to restrain costs through the use of second opinions when treatment costs would exceed a DHHS-specified dollar threshold and when the provider who performs the diagnosis would also be providing treatment services, and by requiring DHHS to make recommendations to reduce administrative overhead costs. Sec. 959 is related boilerplate.	Federal	69,687,600	(12,690,600)
	GF/GP	\$35,409,700	(\$7,000,000)
<b>30. Conference of Western Wayne Substance Use Disorder Pilot</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>House</u> provides \$500,000 GF/GP to Conference of Western Wayne for a 10-bed substance use disorder detoxification pilot project at St. Mary's that utilizes specialized trauma therapists, peer support specialists, and medication assisted treatments. <u>Senate</u> does not include.	GF/GP	\$0	\$0
<b>31. Non-Medicaid Mental Health Services</b>	<b>Gross</b>	<b>\$120,050,400</b>	<b>\$0</b>
<u>House</u> includes \$5.5 million GF/GP for non-Medicaid mental health services to ensure the revised FY 2018-19 funding distribution formula that utilizes population and poverty data also includes a hold harmless provision so that no local Community Mental Health Services Program's (CMHSP) allocation is reduced. Sec. 925 is related boilerplate. <u>Senate</u> does not include.	GF/GP	\$120,050,400	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>
<b>32. CMHSP Court Appointed Guardians and Conservators</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>House</u> adds \$2.5 million GF/GP to reimburse counties for 50% of the cost to provide up to \$83 per month to court-appointed guardians and conservators to individuals who receive CMHSP services. Combined with Medicaid and Field Operations, the total increase is \$1.3 million Gross (\$2.2 million GF/GP). <u>Senate</u> does not include.	GF/GP	\$0	\$0
<b>33. CMHSP Direct Care Worker Wages</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</b>
<u>Senate</u> includes \$100 placeholder to increase direct care worker wages.	GF/GP	\$0	\$100
<b>34. State Psychiatrist Salary Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,394,800</b>
<u>Executive</u> provides \$1.4 million Gross (\$1.3 million GF/GP) to support a civil service salary increase for psychiatrists at the state psychiatric hospitals. Increase supports a minimum increase, by pay level, of at least 11%. The vacancy rate of state psychiatrist positions is approximately 50%. <u>House</u> and <u>Senate</u> concur with the Executive.	Federal	NA	136,200
	GF/GP	NA	\$1,258,600
<b>35. Behavioral Health Program Eliminations</b>	<b>Gross</b>	<b>\$1,005,000</b>	<b>(\$1,005,000)</b>
<u>Executive</u> eliminates behavioral health program funding for genomic opioid research in Kalamazoo (\$700,000 GF/GP) and pediatric and adult opioid abuse pilot project through Kids Kicking Cancer (\$305,000 GF/GP). <u>House</u> and <u>Senate</u> concur with the Executive.	GF/GP	\$1,005,000	(\$1,005,000)
<b>36. Behavioral Health – One-Time Funding</b>	<b>Gross</b>	<b>\$1,165,000</b>	<b>(\$599,900)</b>
<u>Executive</u> increases one-time autism navigator funding \$460,000 GF/GP to assess statewide rollout of the Medicaid autism benefit and to help families with autistic children find services, reduces university autism funding \$250,000 GF/GP (or 50%), and eliminates Special Olympics funding. <u>House</u> concurs with the Executive. <u>Senate</u> retains current year autism navigator funding, eliminates university autism and Special Olympics funding, and includes \$100 placeholder for autism train the trainer.	GF/GP	\$1,165,000	(\$599,900)
<b>POPULATION HEALTH</b>			
<b>37. Flint Drinking Water and Lead Exposure Emergency</b>	<b>Gross</b>	<b>\$21,541,700</b>	<b>(\$16,920,600)</b>
<u>Executive</u> reduces funding for assistance to residents exposed to lead in the City of Flint by \$16.9 million Gross (increase of \$2.9 million GF/GP) from year-to-date. One-time funding of \$4.6 million Gross (\$4.6 million GF/GP) is provided for food and nutrition services, health services at child and adolescent health centers and schools, lead abatement and investigation, lead poisoning prevention, and additional supports and services. YTD amount includes \$7.5 million transfer of November 2017. <u>House</u> concurs with the Executive on the reductions, but does not concur with \$2.9 million GF/GP increase, anticipating that available work project funding from prior fiscal years can be used as needed (\$22.8 million balance as of October 1, 2017). <u>Senate</u> concurs with the Executive. Note Sec. 1905 is related boilerplate.	TANF	3,500,000	(3,500,000)
	Restricted	16,361,700	(16,361,600)
	GF/GP	\$1,680,000	\$2,941,000

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>
<b>38. PFAS Contamination Response – Annualize, Expand Local Grants</b>	FTEs	8.0	15.0
<u>Executive</u> increases funding by \$4.4 million GF/GP and 17.0 FTEs from YTD to address environmental contamination from perfluoroalkyl and polyfluoroalkyl substances (PFAS), first funded in FY 2017-18 supplemental Act 201, and to expand local grants to include other emerging issues:	<b>Gross</b>	<b>\$8,394,000</b>	<b>(\$368,700)</b>
	GF/GP	\$8,394,000	(\$368,700)
<ul style="list-style-type: none"> <li>Laboratory capacity and services – increase by \$1.4 million and 11.0 FTEs (total \$5,525,300 and 11.0 FTEs)</li> <li>Environmental health toxicology and response – increase by \$750,000 and 4.0 FTEs (total \$2,500,000 and 12.0 FTEs)</li> <li>Local health department response grants – increase by \$2.0 million and expand to support local health response to other emerging public health issues and threats (infectious and vector-borne disease outbreaks, vapor intrusion, lead exposure, drinking water contamination, etc.) as needed; and provide additional \$250,000 and 2.0 FTEs for state staff (total \$4,750,000 and 2.0 FTEs).</li> </ul>			
<u>House</u> concurs with the Executive. <u>Senate</u> concurs with the Executive on laboratory capacity funding, and on environmental health toxicology and response funding, but does not concur with any funding for the local health department response grants and state staff, removing YTD \$2.5 million and the proposed increase of \$2.25 million and 2.0 FTEs.			
<b>39. Essential Local Public Health Services</b>	<b>Gross</b>	<b>\$40,886,100</b>	<b>\$10,000,000</b>
<u>Senate</u> provides a \$10.0 million GF/GP increase for essential local public health services, shifting \$4.75 million of local health response funding and proposed increase for PFAS and other emerging health threats (above), and adding \$5.25 million more. These services are governed under Section 1222, and Part 24 of the Public Health Code. Funding is targeted to 9 state and local cost-shared services: immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. See also proposed Sec. 1234.	Local	5,150,000	0
	GF/GP	\$35,736,100	\$10,000,000
<b>40. Primary Care Clinics</b>	<b>Gross</b>	<b>\$5,268,700</b>	<b>\$1,504,500</b>
<u>Executive</u> provides \$1.5 million GF/GP to continue support for primary care clinics and free health clinics at current year levels which are currently supported by federal bonus funding that is no longer available and will be fully expended as of FY 2017-18 year end. YTD amount shown is for Primary Care Services line item. <u>House</u> concurs with the Executive and also removes the federal authorization that is no longer available. <u>Senate</u> concurs with the Executive.	Federal	2,597,100	0
	Private	10,000	0
	GF/GP	\$2,661,600	\$1,504,500
<b>41. Population Health Program Reductions and Eliminations</b>	<b>Gross</b>	<b>\$2,000,000</b>	<b>\$0</b>
<u>Executive</u> eliminates GF/GP funding for bone marrow registry (\$250,000; Sec 1146) and outstate dental clinics (\$1.6 million; Sec. 1229), and reduces GF/GP funding for diabetes programming by \$200,000. <u>House</u> concurs with the Executive. <u>Senate</u> retains current year funding for all 3 programs.	GF/GP	\$2,000,000	\$0
<b>42. Early Primary Care Pilot Program</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</b>
<u>Executive</u> eliminates \$1.0 million early primary care pilot program, new in FY 2017-18, and related Sec. 1147 boilerplate. <u>House</u> does not concur with the Executive and retains current year funding and language. <u>Senate</u> concurs with the Executive.	GF/GP	\$1,000,000	(\$1,000,000)
<b>43. Population Health – Healthy Michigan Fund Adjustment</b>	<b>Gross</b>	<b>\$4,178,500</b>	<b>\$0</b>
For recent population health initiatives, <u>Executive</u> replaces \$4.2 million of Healthy Michigan Fund (HMF) with GF/GP; expanded programs for childhood lead, drinking water and toxicology were funded with HMF in FY 2017-18 only, using available HMF balance. Combined with a similar fund adjustment in Medicaid, the total HMF to GF/GP fund adjustment proposed is \$0 Gross (\$14.2 million GF/GP). <u>House</u> and <u>Senate</u> concur with the Executive.	Restricted	4,178,500	(4,178,500)
	GF/GP	\$0	\$4,178,500

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>
<b>44. Veteran's Health Pilot – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$200</b>
<u>House</u> includes \$100 placeholder for a veteran's in-home health care pilot.	GF/GP	\$0	\$200
<u>Senate</u> includes \$200 placeholder as one-time funding, and Sec. 1918 boilerplate. Pilot includes health care coordination for veterans, and training of veterans as community health workers for the health care initiative.			
<b>45. Laboratory Opioid Enhanced Testing</b>	<b>Gross</b>	<b>\$22,312,100</b>	<b>\$0</b>
<u>House</u> provides \$1.0 million GF/GP to enhance state laboratory and county medical examiner testing of opioids to enable accurate identification of prescription and non-prescription substances in cases of drug overdose or drug poisoning death. Sec. 1170 is related new boilerplate. <u>Senate</u> does not include.	IDG	991,000	0
	Federal	3,840,100	0
	Restricted	10,633,400	0
	GF/GP	\$6,847,600	\$0
<b>46. School Children's Healthy Exercise Program</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$999,900)</b>
<u>Senate</u> reduces funding from \$1.0 million to a \$100 placeholder for the school children's health exercise program incorporating evidence-based best practices to address childhood obesity, and revises related Sec. 1226.	GF/GP	\$1,000,000	(\$999,900)
<b>47. Traumatic Brain Injury Treatment</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,000,000</b>
<u>Senate</u> provides \$1.0 million to support use of traumatic brain injury assessment and treatment interactive decision support software in hospitals for pediatric cases, and related Sec. 1228 boilerplate. Funding was included in enrolled FY 2017-18 budget, but vetoed by the Governor.	GF/GP	\$0	\$1,000,000
<b>48. Alternative Pregnancy and Parenting Program</b>	<b>Gross</b>	<b>\$650,000</b>	<b>\$50,000</b>
<u>Executive</u> reduces funding for alternative pregnancy and parenting program, Real Alternatives, by \$550,000 Gross (increase of \$50,000 GF/GP), for total funding of \$100,000. Sec. 1307 is related boilerplate. <u>House</u> does not concur with the Executive and retains current year funding. <u>Senate</u> increases funding by \$50,000 GF/GP to \$700,000 total funding.	TANF	650,000	0
	GF/GP	\$0	\$50,000
<b>49. Prenatal Home Visiting Programs</b>	<b>Gross</b>	<b>\$15,856,100</b>	<b>\$1,000,000</b>
<u>Senate</u> increases funding by \$1.0 million for prenatal, maternal, infant, and early childhood home visiting programs to support at-risk women and families during pregnancy, birth and infancy, in communities with high infant mortality rates, and revises Sec. 1308. YTD funding does not include alternative program listed above.	Federal	12,106,100	0
	GF/GP	\$3,750,000	\$1,000,000
<b>50. Infant Mortality Project – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000</b>
<u>Senate</u> provides one-time funding of \$100,000 for an infant mortality program grant to Cradle Kalamazoo, and Sec. 1912 related boilerplate.	GF/GP	\$0	\$100,000
<b>51. Population Health - Elimination of One-Time Grants</b>	<b>Gross</b>	<b>\$1,300,000</b>	<b>(\$1,099,900)</b>
<u>Executive</u> eliminates one-time funding of \$150,000 (Sec. 1908) for prenatal diagnosis clearinghouse website, \$850,000 (Sec. 1915) for Oaklawn primary care hospital grant, and \$300,000 for primary care and dental health services (Sec. 1914). <u>House</u> concurs with the Executive. <u>Senate</u> retains \$200,000 for primary care hospital grant, and a \$100 placeholder for primary care and dental health services.	GF/GP	\$1,300,000	(\$1,099,900)
<b>52. Lead Poisoning Elimination Board – One-Time Funding</b>	<b>Gross</b>	<b>\$1,250,000</b>	<b>\$0</b>
<u>Executive</u> continues one-time funding of \$1.25 million GF/GP to implement November 2016 recommendations of the Child Lead Poisoning Elimination Board. Sec. 1907 is related boilerplate. <u>House</u> reduces funding by half to \$625,000 GF/GP. <u>Senate</u> concurs with the Executive.	GF/GP	\$1,250,000	\$0
<b>53. Medical Resident Loan Repayment Program – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>House</u> provides one-time funding of \$5.0 million GF/GP for a 5-year work project program to provide medical education loan repayment for physicians in primary care and other general subspecialties that commit to practicing for 2 years in a medically underserved community following completion of residency. Sec. 1917 is related new boilerplate. <u>Senate</u> does not include.	GF/GP	\$0	\$0



<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>
<b>54. Western Michigan University Unified Clinics – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$2,000,000</b>
<u>Senate</u> provides funding of \$2.0 million GF/GP for the Western Michigan University Unified Clinics, an outpatient multi-specialty group practice providing WMU student clinical training and health care to the campus community and local area, established in 1995.	GF/GP	\$0	\$2,000,000
<b>AGING AND ADULT SERVICES</b>			
<b>55. Senior Volunteer Programs</b>	<b>Gross</b>	<b>\$4,465,300</b>	<b>\$0</b>
<u>House</u> increases funding by a total of \$300,000, including \$100,000 GF/GP for each of the 3 senior volunteer programs: foster grandparents, senior companions, and retired and senior volunteers. <u>Senate</u> does not include.	GF/GP	\$4,465,300	\$0
<b>56. Senior Community Services Programs</b>	<b>Gross</b>	<b>\$43,567,300</b>	<b>\$3,000,000</b>
<u>Senate</u> provides increased funding of \$3.0 million GF/GP for senior community services programs.	Federal	22,280,400	0
	GF/GP	\$21,286,900	\$3,000,000
<b>57. Alzheimer’s Disease and Dementia In-Home Care Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$550,000</b>
<u>House</u> includes a \$100 placeholder for an Alzheimer’s disease and dementia in-home care program. <u>Senate</u> provides \$550,000 for Alzheimer’s Disease in-home care services in 11 counties, and related Sec. 1424 boilerplate. A 3-year 3-county pilot project was funded in FY 2014-15 through FY 2016-17.	GF/GP	\$0	\$550,000
<b>MEDICAL SERVICES</b>			
<b>58. Federal Medicaid Managed Care Final Rule Compliance</b>	FTE	NA	15.0
<u>Executive</u> includes \$1.7 million Gross (\$830,100 GF/GP) for 15.0 FTEs within Medical Services Administration for compliance and implementation of recent changes to the federal Medicaid managed care rules. <u>House</u> and <u>Senate</u> concur with the Executive.	<b>Gross</b>	<b>NA</b>	<b>\$1,660,200</b>
	Federal	NA	830,100
	GF/GP	NA	\$830,100
<b>59. Integrated Service Delivery</b>	FTE	42.0	15.0
<u>Executive</u> provides \$13.8 million federal and 15.0 FTEs for Integrated Service Delivery information technology project costs. \$4.6 million GF/GP is allocated from the Information Technology Investment Fund within Department of Technology, Management, and Budget to draw down these federal funds. <u>House</u> includes Executive funding and FTEs and reduces \$1.8 million GF/GP. <u>Senate</u> concurs with the Executive.	<b>Gross</b>	<b>\$51,397,800</b>	<b>\$13,783,400</b>
	Federal	47,252,500	13,783,400
	GF/GP	\$4,145,300	\$0
<b>60. Child Welfare Psychotropic Oversight</b>	<b>Gross</b>	<b>\$618,200</b>	<b>\$0</b>
<u>Executive</u> moves \$618,200 Gross (\$559,100 GF/GP) for child welfare psychotropic medication oversight from the Children’s Services unit to Medical Services Administration. <u>House</u> removes the funding as Medical Services Administration has performed this oversight in previous fiscal years without utilizing these funds. <u>Senate</u> concurs with the Executive.	Federal	59,100	0
	GF/GP	\$559,100	\$0
<b>61. Long-Term Care Study Placeholder</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>House</u> adds \$100 GF/GP for a feasibility study and actuarial model of public, private, and public-private hybrid options to help individuals access and afford long-term care services. Sec. 1509 is related boilerplate. <u>Senate</u> does not include.	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>	
<b>62. Special Hospital Payments</b>	<b>Gross</b>	<b>NA</b>	<b>\$114,166,200</b>
<u>Executive</u> increases \$111.2 million Gross (reduces \$13.5 million GF/GP) in net special hospital payment adjustments based primarily on changes required to comply with recent changes to federal Medicaid managed care rules that phase out "pass through" payments. The Hospital Rate Adjustment (HRA) is increased by \$190.0 million Gross (which reduces \$21.2 million GF/GP) with distribution tied to direct claims. The Rural and Sole Community Hospital and Obstetrical Stabilization "pass through" payments could not be restructured and instead the \$14.7 million GF/GP is provided to the hospitals without federal Medicaid reimbursement; the loss of \$26.6 million in federal Medicaid reimbursement is partially offset with \$7.0 million in additional GF/GP. The Medicaid Access to Care Initiative (MACI) is also adjusted based on projected allocations. <u>House</u> provides \$8.0 million GF/GP instead of \$7.0 million GF/GP to help offset loss of federal Medicaid reimbursement and adds \$100 federal point of difference. <u>Senate</u> provides \$10.0 million GF/GP instead of \$7.0 million GF/GP to help offset loss of federal Medicaid reimbursement.	Federal	NA	75,892,300
	Restricted	NA	48,795,500
	GF/GP	NA	(\$10,521,600)
<b>63. MiDocs</b>	<b>Gross</b>	<b>NA</b>	<b>\$28,129,400</b>
<u>House</u> includes \$28.1 million Gross (\$5.0 million GF/GP) to increase primary care physician and other select specialty physician residency training programs in rural and urban underserved communities through MiDocs. Residents would also receive student loan repayment assistance for committing to practice in an underserved community post-residency. Sec. 1870 is related boilerplate. <u>Senate</u> concurs with House funding amount, with modified boilerplate Sec. 1870.	Federal	NA	18,129,400
	Restricted	NA	5,000,000
	GF/GP	NA	\$5,000,000
<b>64. Psychiatric Residency Programs</b>	<b>Gross</b>	<b>NA</b>	<b>\$100</b>
<u>Senate</u> includes \$100 placeholder to expand psychiatric residency training programming.	GF/GP	NA	\$100
<b>65. Program of All-Inclusive Care for the Elderly (PACE) Expansion</b>	<b>Gross</b>	<b>\$106,289,100</b>	<b>\$41,359,700</b>
<u>Executive</u> adds \$41.4 million Gross (\$14.7 million GF/GP) to support approximately 950 additional enrollments within existing programs for an estimated statewide enrollment of 3,600. Increase is offset with assumed long-term care savings. Funding supports an annual per member per month increase of 2.0%. <u>House</u> includes \$100 point of difference. <u>Senate</u> concurs with the Executive.	Federal	68,854,100	26,656,300
	GF/GP	\$37,435,000	\$14,703,400
<b>66. Neonatology Rate Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> provides \$2.8 million Gross (\$1.0 million GF/GP) to increase Medicaid neonatal rates from 64% to 75% of Medicare reimbursement rates. <u>Senate</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0
<b>67. Personal Care Services Rate Increase</b>	<b>Gross</b>	<b>\$9,491,200</b>	<b>\$1,156,100</b>
<u>House</u> adds \$1.2 million Gross (\$411,000 GF/GP) to provide a \$32 per month increase for personal care services for individuals residing in a licensed adult foster care or licensed home for the aged. Rate increase would align rates with historic inflation-adjusted amounts. <u>Senate</u> concurs with the House.	Federal	6,148,400	745,100
	GF/GP	\$3,342,800	\$411,000
<b>68. Medicaid Pharmacy Savings</b>	<b>Gross</b>	<b>\$366,015,600</b>	<b>(\$14,064,700)</b>
<u>Executive</u> assumes \$14.1 million Gross (\$5.0 million GF/GP) in Medicaid specialty pharmaceutical savings based on changes in how the state utilizes its preferred drug list. <u>House</u> assumes \$16.9 million Gross (\$6.0 million GF/GP) in Medicaid pharmaceutical savings. <u>Senate</u> concurs with the Executive.	Federal	232,092,400	(9,064,700)
	GF/GP	\$133,923,200	(\$5,000,000)
<b>69. Hospice Room and Board</b>	<b>Gross</b>	<b>\$3,318,000</b>	<b>\$0</b>
<u>Executive</u> removes \$3.3 million GF/GP for hospice room and board payments that are not eligible for federal Medicaid reimbursement. <u>House</u> and <u>Senate</u> retain current year funding. Sec. 1856 is related boilerplate.	GF/GP	\$3,318,000	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>
<b>70. Healthy Michigan Plan Healthy Behavior Incentives</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> removes \$1.7 million Gross (\$117,800 GF/GP) to discontinue providing \$50 gift cards to Healthy Michigan Plan recipients, with incomes below 100% of federal poverty, who complete Health Risk Assessments. <u>Senate</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0
<b>71. Healthy Michigan Plan Second Waiver Costs</b>	<b>Gross</b>	<b>NA</b>	<b>(\$60,000,000)</b>
<u>Senate</u> removes \$60.0 million Gross (\$4.1 million GF/GP) by prohibiting funds be used for premium assistance payments through the federal health care exchange. Beginning April 1, 2018, Healthy Michigan Plan recipients, with income above 100% of federal poverty, who do not comply with healthy behavioral assessments are required to enroll in Medicaid coverage through the federal exchange, with state Medicaid financing requirements still applying (instead of the person qualifying for federal premium tax credits). Boilerplate Sec. 276 would require DHHS to submit a waiver to discontinue state Medicaid financing for premium assistance payments.	Federal	NA	(55,950,000)
	GF/GP	NA	(\$4,050,000)
<b>72. Adult Home Help Biometric Verification System</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>\$0</b>
<u>House</u> removes \$1.5 million Gross (\$149,900 GF/GP) and leaves \$100 placeholder for DHHS to develop a mobile biometric verification system within the adult home help program. Funding was added in FY 2017-18. <u>Senate</u> retains current year funding.	Federal	1,350,000	0
	GF/GP	\$150,000	\$0
<b>73. Adult Home Help Direct Care Wages</b>	<b>Gross</b>	<b>\$316,947,200</b>	<b>\$100</b>
<u>Senate</u> includes \$100 placeholder for a wage increase for adult home help providers.	Federal	206,141,500	0
	GF/GP	\$110,805,700	\$100
<b>74. Sec. 1805 Graduate Medical Education (GME) Quality Data Withhold</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> removes \$666,100 Gross (\$236,800 GF/GP) based on 6 GME hospitals not providing required quality data. Sec. 1805 establishes a 25% withhold of a hospital's GME allocation if the quality data is not submitted. <u>Senate</u> retains current year funding.	Federal	NA	0
	GF/GP	NA	\$0
<b>75. Medical Services Program Reductions and Eliminations</b>	<b>Gross</b>	<b>NA</b>	<b>(\$5,830,000)</b>
<u>Executive</u> eliminates increased level of care determination funding (\$5.0 million Gross, \$2.5 million GF/GP), reduces Medicaid guardian and conservator rates to \$83 per month (\$1.4 million Gross, \$500,000 GF/GP), removes Healthy Michigan Plan medical literacy demonstration program (\$830,000 Gross, \$415,000 GF/GP), and removes dental registry funding (\$500,000 GF/GP). <u>House</u> concurs with the Executive. <u>Senate</u> retains funding for Medicaid guardian and conservator rates and for dental registry.	Federal	NA	(2,915,000)
	GF/GP	NA	(\$2,915,000)
<b>76. Federal Money Follows the Person Demonstration Grant</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> recognizes end of \$10.3 million federal Money Follows the Person demonstration grant used to increase use of home- and community-based services and to reduce institutionally-based services. Loss of grant funding is offset with state GF/GP and federal Medicaid matching funds. Over a 10 year period, Michigan received \$88.2 million. <u>House</u> and <u>Senate</u> concur with the Executive.	Federal	NA	(2,459,600)
	GF/GP	NA	\$2,459,600
<b>77. State Restricted Revenue Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> revises restricted revenues based on projected available revenue for a net decrease of \$29.8 million, which is offset with a like amount of GF/GP. Revisions include:	Restricted	NA	(29,824,400)
<ul style="list-style-type: none"> <li>Reducing Health Insurance Claims Assessment (HICA) fund balance utilization \$60.0 million.</li> <li>Increasing Medicaid Benefits Trust Fund \$38.3 million.</li> <li>Reducing Healthy Michigan Fund \$10.0 million (Combined with a similar fund adjustment in Population Health, the total HMF to GF/GP fund adjustment is \$14.2 million).</li> <li>Increasing Merit Award Trust Fund \$2.0 million.</li> </ul>	GF/GP	NA	\$29,824,400
<u>House</u> and <u>Senate</u> concur with the Executive.			

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Senate Change</b>	
<b>78. Special Medicaid Reimbursements</b>	<b>Gross</b>	<b>NA</b>	<b>(\$11,623,700)</b>
<u>Executive</u> reduces special Medicaid reimbursements by \$11.6 million Gross (\$0 GF/GP) for Specialty Network Access Fee (SNAF), physician adjustor payments, dental adjustor payments, Graduate Medical Education innovations pool, and university disproportionate share hospital (DSH) payments. GF/GP is not used as state matching funds for these special Medicaid reimbursements. <u>House</u> and <u>Senate</u> concur with the Executive.	Federal	NA	(15,679,900)
	Local	NA	(150,600)
	Restricted	NA	4,206,800
	GF/GP	NA	\$0
<b>79. Medical Services Program – One-Time Funding</b>	<b>Gross</b>	<b>\$6,724,000</b>	<b>(\$6,723,900)</b>
<u>Executive</u> eliminates one-time medical services funding for direct primary care pilot program (\$5.7 million Gross, \$2.0 million GF/GP) and University of Detroit Dental (\$1.0 million GF/GP). <u>House</u> eliminates direct primary care pilot program and retains University of Detroit Dental. <u>Senate</u> eliminates direct primary care pilot program and includes \$100 placeholder for University of Detroit Dental.	Federal	3,708,000	(3,708,000)
	GF/GP	\$3,016,000	(\$3,015,900)

**Major Boilerplate Changes From FY 2017-18**

**GENERAL SECTIONS**

**Sec. 228. Interest Payable to DHHS on Late Payments – NOT INCLUDED**

Allows DHHS to charge and collect 1% per month interest for late payments to the Department. Executive adds new section. House concurs but revises to apply to quality assurance assessment payments that resulted from an overpayment by DHHS to a provider. Senate does not concur.

**Sec. 230. Report of Implementation of Funding Increases – NEW**

Senate requires DHHS to report by December 31 on the status of implementation of program funding increases from the previous fiscal year.

**Sec. 256. Revise Education Modules Regarding Sexual Abuse Prevention – NEW**

Senate requires DHHS to collaboratively revise the curriculum for 2 education health modules to include age-appropriate information about the importance of consent, setting and respecting personal boundaries, and prevention of child sexual abuse.

**Sec. 273. Unclassified Salary Withhold for Waiver Submission and Approval – NEW**

Senate withholds 25% of unclassified salaries funding until waiver request is submitted to federal government (for Medicaid work requirements proposed in SB 897), and withholds another 25% until that waiver is approved by the federal government.

**Sec. 276. Healthy Michigan Plan Recipients and Expenditures – NEW**

Senate (1) prohibits Healthy Michigan Plan funding from being used to support Medicaid coverage or premium assistance on the federal health care exchange to a qualified Medicaid recipient, with submission of waiver if needed to implement; and (2) states legislative intent that completion of a healthy behavior does not qualify a Medicaid recipient for continued enrollment in the Healthy Michigan Plan.

**Sec. 291. E-Verify – RETAINED**

Requires DHHS to use the E-Verify system to confirm that new employees and new employees of contractors and subcontractors paid from the appropriations in Part 1 are legally present in the United States. Executive and House delete. Senate retains current law.

**Sec. 293. TANF Spending Cap and Exception – NOT INCLUDED**

Executive sets cap of \$548.8 million for DHHS expenditures of federal TANF funds, and allows for additional spending of up to 3% more to offset GF/GP if notification is made to Legislature which includes an updated estimate of year end TANF balance. House and Senate do not concur.

**Sec. 296. Employee Legal Costs Related to Flint Water System – NEW**

Executive states that from the funds appropriated in Part 1, DHHS shall be responsible for legal costs of private attorneys defending DHHS employees in any legal action or investigations related to the City of Flint municipal water system. (Similar boilerplate is current law in Department of Environmental Quality budget as Sec. 237). House and Senate concur, both with minor varying revisions.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 298. Behavioral Health Integration Pilot Projects – REVISED***

Requires DHHS to pilot the integration of behavioral health and physical health services, including: contract with a project facilitator, establish a pilot in Kent County with a willing CMHSP, establish up to 3 additional pilots with CMHSPs and Medicaid health plans, reinvest savings into behavioral health services in the pilot area, legislative intent for pilots, and contract with a university to evaluate pilots and replicability. Allocates \$3.1 million for implementation, requires a spending plan, report by DHHS, report by managing entities of pilots, and includes target dates. Executive revises language to require DHHS to continue to pursue and implement the pilot projects and other requirements outlined during FY 2017-18. House concurs with the Executive, and retains legislative intent and target dates and adds clinical data sharing to list of performance metrics. Senate concurs with the House, and retains barriers to implementation report, changes intended pilot design length from 2 to 3 years, and adds additional contractual provisions on the 3 pilot projects between the CMHSPs and Medicaid health plans that prohibit the requirement that the Medicaid health plans exclusively contract with the CMHSPs in the pilot project areas and that any NCQA function presently maintained by the Medicaid health plans remain the responsibility of the Medicaid health plan.

## **COMMUNITY SERVICES AND OUTREACH**

### ***Sec. 453. Homeless Programs per Diem Increase – REVISED***

Requires DHHS to increase emergency shelter program per diem rates to \$16.00 per bed night. Executive and House retain current law. Senate allocates \$100 as a placeholder to increase per diem rates to \$20 per bed night.

### ***Sec. 460. Task Force on Prevention of Sexual Abuse of Children Report – NEW***

Senate includes new language that requires DHHS to submit the final report of the Task Force on Prevention of Sexual Abuse of Children which contains the task force's recommendations to the Michigan Department of Education by October 1.

## **CHILDREN SERVICES – CHILD WELFARE**

### ***Sec. 503(2). Adoption Incentive Payments Rates Actuarial Study – NEW***

Senate requires DHHS to conduct an actuarial study on the rates paid to private child placing agencies for finalizing adoptions.

### ***Sec. 516. County Child Care Fund Indirect Cost Payments – NEW***

Senate requires the administrative or indirect 10% cost payment be distributed monthly to counties and prohibits a requirement to submit documentation to DHHS for any of the covered expenditures of the payment; also requires that pest control and vermin annihilation expenditures for juvenile detention facility licensure be considered a direct expenditure.

### ***Sec. 522. Fostering Futures Scholarship Program – RETAINED***

Allocates \$750,000 to the Fostering Futures Scholarship Program for youth transitioning from foster care who are attending college. Executive retains current law. House revises language to include scholarships for foster care youth who are attending a career technical educational institution. Senate retains current law.

### ***Sec. 528. Foster Care and Adoptive Parent Fingerprinting – NEW***

Senate requires DHHS to provide the federal law, rule, rationale, or interpretation that requires an individual to be fingerprinted to become a foster parent or an adoptive parent.

### ***Sec. 532. Licensing and Contract Compliance Review – RETAINED***

Requires collaboration between DHHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes; requires report. Executive and House delete. Senate retains current law.

### ***Sec. 537. Residential Bed Space Standards and Preferences – RETAINED***

Directs DHHS to collaborate with child caring institutions to develop a strategy to implement MCL 400.115o, which restricts out-of-state placements of youth and restricts placements of youth in state administered facilities over comparable private provider facilities; requires report. Executive and House delete. Senate retains current law.

### ***Sec. 546. Foster Care Agency Administrative Rates – RETAINED***

Establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHHS and increases the rate by \$9.20, provided that the county match rate is eliminated for this increase; requires payments for independent living plus services at the statewide per diem. Executive and House revise language to set the general foster care rate, independent living rate, and trial unification services rate all at \$46.20 and strike language requiring a \$9.20 administrative rate increase to private foster care providers and that the county match rate be eliminated. Senate retains current law.

### ***Sec. 573(2). Foster Care Provider Administrative Rates Workgroup – NEW***

Senate directs DHHS to hold a workgroup to determine methods to compensate private agencies for services to children for which they are not paid an administrative rate.

### ***Sec. 589. Foster Care Administrative Rate County Hold-Harmless Policy – RETAINED***

Requires DHHS to pay 100% of the administrative rate for all new cases referred to foster care services providers; requires monthly report on number of cases supervised by private agencies and by DHHS. Executive and House delete language requiring DHHS to pay 100% of the administrative rates. House changes to a quarterly report. Senate retains current law.

## **Major Boilerplate Changes From FY 2017-18**

### **PUBLIC ASSISTANCE**

#### ***Sec. 619. Family Independence Program (FIP) and Food Assistance Benefit Exemption – REVISED***

Exempts individuals convicted of a drug felony after August 22, 1996 from the federal prohibition on receiving FIP and food assistance benefits; requires benefits be paid to a third-party for these cases; prohibits individuals convicted of 2 or more separate drug felonies from receiving assistance, subject to federal approval of this additional condition. Executive, House, and Senate revise language to state that the exemption would be given if the act, not the conviction itself, occurred after August 22, 1996; also requires that if the grantee is the individual convicted, then FIP benefits must be paid as restricted payments - using a protective payee, if possible, or vendor payments for shelter to the extent possible. If the convicted individual is not the grantee, then assistance shall go to the grantee.

#### ***Sec. 650. Food Assistance Program Able-Bodied Adults Without Dependents (ABAWD) Waiver – REVISED***

Requires DHHS to apply the food assistance eligibility requirements as prescribed in 7 CFR 273.24(a)-(d) on a statewide basis beginning May 1, 2018. (*Executive FY 2017-18 signing letter stated section is considered unenforceable.*) Executive deletes. House and Senate revise language to require that ABAWD individuals must be subject to the federal time-limited food assistance and work requirement provisions regardless of county, redetermination date, or federal waiver status beginning on October 1, 2018.

### **CHILDREN SERVICES – JUVENILE JUSTICE**

#### ***Sec. 708. County Spending Plan Required – REVISED***

Specifies that in order for counties to receive allocations from the Child Care Fund, they must submit a service spending plan for DHHS approval by October 1 of each year; requires DHHS to notify counties of any plan revisions; requires report. Executive revises language to change submission date to August 15, deletes requirement that DHHS cannot request additional plan revisions outside of those in revision notification, and includes new language requiring counties to submit plan amendments by August 30 and payable estimates by September 15. House concurs with the Executive, but revises language to require counties to submit service spending plans by August 15. Senate concurs with the spending plan date changes.

#### ***Sec. 721. Residential Facility of Last Resort – RETAINED***

If demand exceeds capacity at state-operated facilities, requires DHHS to post a request for proposals to contract with not less than 1 private provider to be a residential facility of last resort instead of increasing available occupancy at state-operated facilities. Executive and House delete. Senate retains current law.

### **BEHAVIORAL HEALTH SERVICES**

#### ***Sec. 912. Salvation Army Harbor Light Program – RETAINED***

Requires DHHS to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance use disorder services, if program meets standard of care. Executive deletes. House and Senate retain current law.

#### ***Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – RETAINED***

Requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law not initiate an action by negatively impacts beneficiary safety; defines "national accrediting entity." Executive and House delete. Senate retains current law.

#### ***Sec. 1008. PIHP Administrative Costs, Mental Health Care, Service Rates, and Direct Care Reimbursement – REVISED***

Requires the PIHP to work to reduce administrative costs, take an active role in managing mental health care, ensure that direct care rate variances are related to the level of need or other quantifiable measures, and whenever possible promote fair and adequate direct care reimbursement. Executive and House add Community Mental Health Services Programs (CMHSPs) to also meet these requirements. Senate retains current law with technical revisions.

#### ***Sec. 1009. Direct Care Wage Increase – REVISED***

Allocates \$45.0 million to provide a \$0.50 per hour increase for direct care workers and requires DHHS contractually mandate these funds be fully passed through to agencies for paying direct care workers' wages and includes reporting requirements; establishes provisions for receiving funds; requires a report. Executive and House replace current language with requirement for PIHPs to report range of wages paid to direct care workers and for DHHS to report information to legislature. Senate concurs with Executive and House and includes new language requiring DHHS to maintain the \$0.50 per hour increase provided in FY 2017-18.

#### ***Sec. 1061. Caro Regional Mental Health Center – RETAINED***

Requires DHHS to only use the funds appropriated for the Caro Regional Mental Health Center to support a psychiatric hospital at its current location, includes legislative intent that the Caro Regional Mental Health Center remain open and operational at its current location and that any capital outlay funding be used for planning and construction at the current location instead of a new location. Executive deletes statement of legislative intent and adds language permitting funds be transferred, either through an administrative transfer or the legislative transfer process. House and Senate retain current law.

## **Major Boilerplate Changes From FY 2017-18**

### **POPULATION HEALTH**

#### ***Sec. 1183. Luce County Allocation - NEW***

Senate allocates \$50,000 to the Luce County local health department for the purchase of water sampling laboratory equipment, from the PFAS and environmental contamination response line item.

#### ***Sec. 1231. [Sec. 701. of PA 201]. PFAS Contamination and Other Response by Local Health Departments – DELETED***

Allocates up to \$2.5 million to local health departments experiencing potential PFAS contamination, which may be used for staffing, planning and response, materials, and other activities enabling local health department response. (Included in supplemental appropriations Act 201 of 2017). Executive deletes. House revises to allocate up to \$4.8 million to local health departments for PFAS contamination or other emerging public health threats. Senate deletes.

#### ***Sec. 1232. [Sec. 703. of PA 201]. Reimbursement for PFAS Environmental Contamination Response – DELETED***

Expresses intent of the Legislature that the United States Department of Defense shall reimburse the state for costs associated with PFAS and environmental contamination response at military training sites and support facilities. (Included in supplemental appropriations Act 201 of 2017). Executive deletes. House retains current law. Senate deletes.

#### ***Sec. 1233. [Sec. 704. of PA 201]. Expenditure of Funding for PFAS Environmental Contamination Response – DELETED***

Prohibits expenditure of GF/GP and state restricted funding sources for PFAS and environmental contamination response when federal or private funding is available for the same purpose. (Included in supplemental appropriations Act 201 of 2017) Executive deletes. House retains current law. Senate deletes.

#### ***Sec. 1234. Essential Local Public Health Services Funding Formula Revision - NEW***

Senate requires DHHS to develop and report to the legislature a revised distribution formula for the allocation of essential local public health services line item appropriations to local health departments, and states legislative intent that the new formula be implemented beginning October 1, 2019.

#### ***Sec. 1235. Prison Food Service Kitchen Inspections by Local Health Departments - NEW***

Senate allocates \$100 from the essential local public health services line item to local health departments to evaluate and inspect food service kitchens of state prisons.

#### ***Sec. 1305. Contract Restrictions and Priorities for Family Planning and Pregnancy Prevention – NEW***

House and Senate (1) prohibit DHHS from contracting for family planning and pregnancy prevention services with an entity that engages in abortion activities under PA 360 of 2002, if another entity applies to provide those services that is not already engaged in abortion activities; and (2) require DHHS to give a higher priority to a) contracting for services in counties where there are currently no contracts for services, before b) contracting for additional services by an entity that engages in abortion activities in a county where there are already services provided by an entity that does not engage in abortion activities.

#### ***Sec. 1341. WIC Eligibility Guidance – NOT INCLUDED***

House requires DHHS and county offices to utilize federal income eligibility and verifications guidelines in determining eligibility of individuals for the special supplemental nutrition program for women, infants, and children (WIC). Senate does not include.

### **MEDICAL SERVICES**

#### ***Sec. 1504. Inspector General Recoveries from Medicaid Health Plans – NEW***

Senate requires the office of inspector general to only recover monies from Medicaid health plans equal to the amount the Medicaid health plans were able to recover from its provider network.

#### ***Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Co-payments – REVISED***

Establishes the pharmacy dispensing fees according to federal rules and the state's long-term financial exposure; requires prescription co-payments for Medicaid recipients not enrolled in the Healthy Michigan Plan or with an income less than 100% of the federal poverty level of \$1 for generic drugs and \$3 for brand-name drugs; requires prescription co-payments for Healthy Michigan plan enrollees with an income of at least 100% of the federal poverty level of \$4 for generic drugs and \$8 for brand-name drugs. Executive revises to require maintaining the established pharmacy dispensing fees. House lists the specific pharmacy dispensing fees as established by DHHS. Senate lists same specific pharmacy dispensing fees as the House and modifies the language.

#### ***Sec. 1696. Traditional Medicaid and Healthy Michigan Plan Coverage Changes – NEW***

Senate prohibits an individual who received Medicaid coverage through traditional Medicaid in the previous fiscal year from receiving coverage in the current fiscal year through the Healthy Michigan Plan, if the individual is still eligible for traditional Medicaid.

#### ***Sec. 1763. Actuarial Services Request for Proposal – NEW***

Senate requires DHHS to issue a request for proposal for a 3-year contract for actuarial services related to rate setting for traditional Medicaid and Healthy Michigan Plan and to notify the legislature.

#### ***Sec. 1792. Medicaid Health Plan Pharmacy Encounter Data – NEW***

Senate requires DHHS to evaluate Medicaid health plan pharmacy encounter data through the first 2 quarters of the fiscal year to determine if rates, in consultation with the Medicaid health plans, need to be recertified.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 1806. Common Formulary for Medicaid Health Plans – REVISED***

Requires DHHS to monitor progress in implementing the common formulary; requires DHHS to develop policies to operate the common formulary to ensure fair and full public participation; requires a report. Executive deletes requirement to monitor progress in implementing the common formulary and revises to maintain policies to ensure fair and full public participation. House requires Medicaid health plans to monitor and report on the implementation of the common formulary, for DHHS to report on any inconsistencies across the Medicaid health plans, and revises to maintain policies to ensure fair and full public participation. Senate concurs with the Executive.

### ***Sec. 1810. Health Plan Encounter Data Reporting – REVISED***

Requires DHHS to enhance encounter data reporting processes and develop rules to improvement completeness and quality of data while minimizing health plan administrative expense and requires DHHS to notify a health plan of any encounter data that have not been accepted for the purposes of rate setting. Executive and House retain current law. Senate adds requirement that Medicaid health plans be given at least 60 days to dispute and correct any discarded encounter data before the rates are certified.

### ***Sec. 1856. Hospice Room and Board Payments – RETAINED***

Requires DHHS expend funds to provide room and board payments to hospice residences that have been enrolled in Medicaid by October 1, 2014, requires a workgroup to determine how to streamline payment methodology; lists reporting requirements of the hospice residences, and states lapses go into general fund. Executive deletes. House requires the funds be disturbed through grants to hospices residences enrolled in Medicaid by October 1, 2017, for grant to be paid out monthly, lists reporting requirements, and requires the hospice residence to return to DHHS any remaining grant funding. Senate retains current law.

### ***Sec. 1861. [Sec. 702. of PA 201]. Nonemergency Medical Transportation Pilot – REVISED***

Requires DHHS to increase the number of counties in which a local public transportation entity is the primary administrator of the Medicaid nonemergency medical transportation benefit using a nonprofit as the transportation broker, lists purpose and performance outcomes. Executive deletes requirement that the local public transportation entity uses a nonprofit transportation broker. (Language revised in supplemental appropriations Act 201 of 2017). House revises to require continuation of pilot program. Senate includes technical revisions.

### ***Sec. 1875. Prior Authorization for Certain Drugs – REVISED***

Applies prior authorization prohibition to DHHS and its contractual agents for psychotropic medications, drugs for the treatment of epilepsy/seizure disorder, or drugs for organ transplant therapy, if those drugs were either carved out or not subject to prior authorization procedures as of May 9, 2016, defines "prior authorization". Executive deletes. House retains current law. Senate adds HIV and AIDS medications to the list of drugs with a prior authorization prohibition.

## **INFORMATION TECHNOLOGY**

### ***Sec. 1904. MiSACWIS Modification - REVISED***

Requires DHHS to make partial Child Care Fund (CCF) reimbursements to counties for undisputed charges within 45 business days of receipt of required forms and documentation, and requires DHHS to make any information technology system modifications needed to meet this requirement by March 1. Executive strikes requirement for IT modifications by March 1 references to IT line item, and rennumbers to Sec. 595. House concurs with the Executive. Senate strikes requirement for IT modifications by March 1, and adds new subsection (2) to require information technology modifications be made by October 1 to the child welfare information system (MiSACWIS) to meet requirements described in Sec 117a (4)(a) of the Social Welfare Act.

## **ONE-TIME APPROPRIATIONS**

### ***Sec. 1905. Flint Drinking Water Declaration of Emergency - REVISED***

Allocates appropriated funds to address needs in the City of Flint under a declaration of emergency issued related to drinking water contamination, for food and nutrition services, education, nursing and case management, behavioral health and lead exposure care, access to care for children, breastfeeding education, epidemiological analysis, lead poisoning surveillance and abatement, Double Up Food Bucks program, and water testing at food service establishments. Executive and House retain current law. Senate adds new provisions to the Flint drinking water declaration of emergency funding in subsections (2) through (5): no funding to the Flint Continuation of Michigan Child Collaborative Care Program or the Parents as Teacher Program, allocations of \$500,000 to the Children's Health Access Program (CHAP), and \$335,000 to the C.S. Mott Community College.

### ***Sec. 1913. Medicaid Direct Primary Care Pilot Program – REVISED***

Requires DHHS to apply for a federal waiver to implement a Medicaid direct primary care pilot program; outlines program requirements; requires quarterly reports; establishes unexpended funds as work project appropriation. Executive deletes. House revises to require DHHS to continue the program through available work project authorization, and retains quarterly reports. Senate concurs with House with technical differences.