

SUBSTITUTE FOR  
SENATE BILL NO. 856

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2019; and to provide for the expenditure of the appropriations.

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

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2019, from the following funds:

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	15,610.7
Average population .....	770.0
GROSS APPROPRIATION.....	\$ 25,117,902,400

1	Interdepartmental grant revenues:	
2	Total interdepartmental grants and intradepartmental	
3	transfers .....	13,813,700
4	ADJUSTED GROSS APPROPRIATION.....	\$ 25,104,088,700
5	Federal revenues:	
6	Social security act, temporary assistance for needy	
7	families .....	556,403,800
8	Capped federal revenues.....	593,625,400
9	Total other federal revenues.....	16,704,209,500
10	Special revenue funds:	
11	Total local revenues.....	120,871,100
12	Total private revenues.....	148,989,500
13	Michigan merit award trust fund.....	52,268,700
14	Total other state restricted revenues.....	2,409,629,800
15	State general fund/general purpose.....	\$ 4,518,090,900
16	<b>Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT</b>	
17	Full-time equated unclassified positions..... 6.0	
18	Full-time equated classified positions..... 797.6	
19	Unclassified salaries--6.0 FTE positions.....	\$ 588,100
20	Unclassified salaries allocated pursuant to section	
21	273 .....	588,000
22	Administrative hearings officers.....	11,340,000
23	Demonstration projects--7.0 FTE positions.....	7,358,400
24	Departmental administration and management--603.6	
25	FTE positions .....	115,659,000
26	Developmental disabilities council and	
27	projects--10.0 FTE positions .....	3,090,000

1	Office of inspector general--177.0 FTE positions .....	22,204,500
2	Property management.....	65,966,100
3	Terminal leave payments.....	7,250,000
4	Worker's compensation.....	<u>7,523,100</u>
5	GROSS APPROPRIATION.....	\$ 241,567,200
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from department of education.....	1,943,300
9	Federal revenues:	
10	Social security act, temporary assistance for needy	
11	families .....	23,489,700
12	Capped federal revenues.....	20,421,100
13	Total other federal revenues.....	90,125,000
14	Special revenue funds:	
15	Total local revenues.....	86,000
16	Total private revenues.....	3,843,200
17	Total other state restricted revenues.....	851,400
18	State general fund/general purpose.....	\$ 100,807,500
19	<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
20	Full-time equated classified positions..... 185.7	
21	Child support enforcement operations--179.7 FTE	
22	positions .....	\$ 22,940,500
23	Child support incentive payments.....	24,409,600
24	Legal support contracts.....	113,607,100
25	State disbursement unit--6.0 FTE positions .....	<u>8,127,500</u>
26	GROSS APPROPRIATION.....	\$ 169,084,700
27	Appropriated from:	

1	Federal revenues:	
2	Capped federal revenues.....	1,735,000
3	Total other federal revenues.....	143,074,600
4	State general fund/general purpose.....	\$ 24,275,100
5	<b>Sec. 104. COMMUNITY SERVICES AND OUTREACH</b>	
6	Full-time equated classified positions.....	75.6
7	Bureau of community services and outreach--20.0 FTE	
8	positions.....	\$ 2,571,400
9	Child advocacy centers--0.5 FTE position.....	1,407,000
10	Community services and outreach administration--11.0	
11	FTE positions .....	1,492,000
12	Community services block grant.....	25,840,000
13	Crime victim grants administration services--13.0	
14	FTE positions .....	2,206,500
15	Crime victim justice assistance grants.....	59,279,300
16	Crime victim rights services grants.....	16,870,000
17	Domestic violence prevention and treatment--15.6 FTE	
18	positions.....	16,010,100
19	Homeless programs.....	33,673,800
20	Michigan community service commission--15.0 FTE	
21	positions.....	11,650,300
22	Rape prevention and services--0.5 FTE position.....	5,097,300
23	School success partnership program.....	525,000
24	Uniform statewide sexual assault evidence kit	
25	tracking system .....	800,000
26	Weatherization assistance.....	<u>16,340,000</u>
27	GROSS APPROPRIATION.....	\$ 193,762,700

1	Appropriated from:		
2	Federal revenues:		
3	Social security act, temporary assistance for needy		
4	families .....		13,189,800
5	Capped federal revenues.....		67,894,400
6	Total other federal revenues.....		75,852,300
7	Special revenue funds:		
8	Private - collections.....		44,100
9	Compulsive gambling prevention fund.....		1,040,500
10	Sexual assault evidence tracking fund.....		800,000
11	Sexual assault victims' prevention and treatment fund		3,000,000
12	Child advocacy centers fund.....		1,407,000
13	Crime victim's rights fund.....		15,356,600
14	State general fund/general purpose.....	\$	15,178,000
15	<b>Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD</b>		
16	<b>WELFARE</b>		
17	Full-time equated classified positions.....	3,841.2	
18	Adoption subsidies.....		\$ 204,711,800
19	Adoption support services--10.0 FTE positions.....		29,417,000
20	Attorney general contract.....		4,455,800
21	Child abuse and neglect - children's justice act--		
22	1.0 FTE position .....		624,700
23	Child care fund.....		197,544,200
24	Child protection.....		800,300
25	Child welfare administration travel.....		375,000
26	Child welfare field staff - caseload compliance--		
27	2,461.0 FTE positions .....		234,317,000

1	Child welfare field staff - noncaseload compliance--	
2	330.0 FTE positions .....	35,199,800
3	Child welfare first line supervisors--578.0 FTE	
4	positions .....	74,179,200
5	Child welfare institute--45.0 FTE positions .....	8,328,600
6	Child welfare licensing--59.0 FTE positions .....	7,025,400
7	Child welfare medical/psychiatric evaluations .....	10,435,500
8	Children's services administration--169.2 FTE	
9	positions .....	20,085,900
10	Children's trust fund--12.0 FTE positions .....	4,145,200
11	Contractual services, supplies, and materials .....	9,300,000
12	Education planners--15.0 FTE positions .....	1,558,600
13	Family preservation and prevention services	
14	administration--9.0 FTE positions .....	1,322,100
15	Family preservation programs--13.0 FTE positions .....	38,900,900
16	Family support subsidy .....	16,253,700
17	Foster care payments .....	218,069,100
18	Guardianship assistance program .....	12,675,500
19	Peer coaches--45.5 FTE positions .....	5,838,600
20	Performance based funding implementation--3.0 FTE	
21	positions .....	1,450,200
22	Permanency resource managers--28.0 FTE positions .....	3,254,600
23	Prosecuting attorney contracts .....	3,879,500
24	Second line supervisors and technical staff--54.0	
25	FTE positions .....	9,078,000
26	Settlement monitor .....	1,885,800
27	Strong families/safe children .....	12,350,100

1	Title IV-E compliance and accountability office--4.0	
2	FTE positions .....	432,200
3	Youth in transition--4.5 FTE positions .....	<u>15,317,300</u>
4	GROSS APPROPRIATION.....	\$ 1,183,211,600
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG from department of education.....	90,300
8	Federal revenues:	
9	Social security act, temporary assistance for needy	
10	families .....	352,178,500
11	Capped federal revenues.....	109,970,500
12	Total other federal revenues.....	251,095,400
13	Special revenue funds:	
14	Private - collections.....	2,350,300
15	Local funds - county chargeback.....	16,486,600
16	Children's trust fund.....	2,895,300
17	State general fund/general purpose.....	\$ 448,144,700
18	<b>Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE</b>	
19	<b>JUSTICE</b>	
20	Full-time equated classified positions..... 123.5	
21	Bay Pines Center--47.0 FTE positions.....	\$ 5,623,600
22	Committee on juvenile justice administration--2.5	
23	FTE positions .....	354,500
24	Committee on juvenile justice grants.....	3,000,000
25	Community support services--3.0 FTE positions.....	2,122,700
26	County juvenile officers.....	3,904,300
27	Juvenile justice, administration and maintenance--	

1	24.0 FTE positions .....	4,314,500
2	Shawono Center--47.0 FTE positions .....	5,651,700
3	W.J. Maxey Training School .....	<u>250,000</u>
4	GROSS APPROPRIATION.....	\$ 25,221,300
5	Appropriated from:	
6	Federal revenues:	
7	Capped federal revenues .....	8,422,700
8	Total other federal revenues .....	25,800
9	Special revenue funds:	
10	Local funds - state share education funds .....	1,355,700
11	Local funds - county chargeback .....	5,117,400
12	State general fund/general purpose .....	\$ 10,299,700
13	<b>Sec. 107. PUBLIC ASSISTANCE</b>	
14	Full-time equated classified positions..... 8.0	
15	Emergency services local office allocations .....	\$ 9,357,500
16	Family independence program .....	77,386,300
17	Food assistance program benefits .....	1,931,717,000
18	Food Bank Council of Michigan .....	2,045,000
19	Indigent burial .....	4,375,000
20	Low-income home energy assistance program .....	174,951,600
21	Michigan energy assistance program--1.0 FTE position .	50,000,000
22	Multicultural integration funding .....	15,303,800
23	Refugee assistance program--7.0 FTE positions .....	28,011,500
24	State disability assistance payments .....	8,739,900
25	State supplementation .....	60,353,200
26	State supplementation administration .....	<u>1,681,100</u>
27	GROSS APPROPRIATION.....	\$ 2,363,921,900



1	Appropriated from:	
2	Federal revenues:	
3	Social security act, temporary assistance for needy	
4	families .....	68,562,200
5	Capped federal revenues.....	203,147,600
6	Total other federal revenues.....	1,927,517,000
7	Special revenue funds:	
8	Child support collections.....	11,081,900
9	Supplemental security income recoveries.....	4,142,700
10	Public assistance recoupment revenue.....	5,000,000
11	Low-income energy assistance fund.....	50,000,000
12	State general fund/general purpose.....	\$ 94,470,500
13	<b>Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES</b>	
14	Full-time equated classified positions.....	6,337.5
15	Administrative support workers--221.0 FTE positions ..	\$ 13,110,500
16	Adult services field staff--520.0 FTE positions .....	57,183,700
17	Contractual services, supplies, and materials.....	16,521,400
18	Donated funds positions--238.0 FTE positions.....	27,273,300
19	Elder Law of Michigan MiCAFE contract.....	350,000
20	Electronic benefit transfer (EBT).....	8,509,000
21	Employment and training support services.....	4,219,100
22	Field policy and administration--63.0 FTE positions ..	10,900,900
23	Field staff travel.....	8,103,900
24	Independent living.....	15,031,600
25	Medical/psychiatric evaluations.....	1,420,100
26	Michigan rehabilitation services--526.0 FTE positions	129,881,000
27	Nutrition education--2.0 FTE positions.....	33,047,400

1	Public assistance field staff--4,747.5 FTE positions .	491,734,700
2	SSI advocacy legal services grant .....	500,000
3	Training and program support--20.0 FTE positions .....	2,472,200
4	Volunteer services and reimbursement .....	<u>942,400</u>
5	GROSS APPROPRIATION.....	\$ 821,201,200
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from department of corrections .....	119,700
9	IDG from department of education.....	7,851,700
10	IDG from department of licensing and regulatory	
11	affairs .....	38,300
12	Federal revenues:	
13	Social security act, temporary assistance for needy	
14	families .....	73,288,200
15	Capped federal revenues.....	158,672,500
16	Federal supplemental security income.....	8,588,600
17	Total other federal revenues.....	262,664,700
18	Special revenue funds:	
19	Local funds - donated funds.....	4,071,400
20	Local vocational rehabilitation match.....	5,300,000
21	Private funds - donated funds.....	9,285,700
22	Private funds - gifts, bequests, and donations .....	531,500
23	Rehabilitation service fees.....	150,000
24	State general fund/general purpose.....	\$ 290,638,900
25	<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>	
26	Full-time equated classified positions.....	587.4
27	Disability determination operations--583.3 FTE	

1	positions .....	\$	113,054,600
2	Retirement disability determination--4.1 FTE positions		<u>616,500</u>
3	GROSS APPROPRIATION.....	\$	113,671,100
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	IDG from DTMB - office of retirement services .....		793,600
7	Federal revenues:		
8	Total other federal revenues .....		108,563,700
9	State general fund/general purpose .....	\$	4,313,800
10	<b>Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION</b>		
11	<b>AND SPECIAL PROJECTS</b>		
12	Full-time equated classified positions..... 102.0		
13	Behavioral health program administration--80.0 FTE		
14	positions .....	\$	49,533,300
15	Federal and other special projects .....		2,535,600
16	Gambling addiction--1.0 FTE position .....		3,009,200
17	Office of recipient rights--21.0 FTE positions .....		2,763,000
18	Protection and advocacy services support .....		194,400
19	Student outreach services grant program .....		<u>10,000,000</u>
20	GROSS APPROPRIATION.....	\$	68,035,500
21	Appropriated from:		
22	Federal revenues:		
23	Total other federal revenues .....		32,093,200
24	Special revenue funds:		
25	Total private revenues .....		1,004,700
26	Total other state restricted revenues .....		3,009,200
27	State general fund/general purpose .....	\$	31,928,400

1	<b>Sec. 111. BEHAVIORAL HEALTH SERVICES</b>	
2	Full-time equated classified positions.....	9.5
3	Autism services.....	\$ 205,150,800
4	Children with serious emotional disturbance waiver ...	10,000,000
5	Children's waiver home care program.....	20,241,100
6	Civil service charges.....	399,300
7	Community mental health non-Medicaid services.....	120,050,400
8	Community substance use disorder prevention,	
9	education, and treatment .....	76,456,200
10	Federal mental health block grant--2.5 FTE positions .	17,465,400
11	Health homes.....	3,369,000
12	Healthy Michigan plan - behavioral health.....	292,962,900
13	Medicaid mental health services.....	2,364,039,700
14	Medicaid substance use disorder services.....	68,441,000
15	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,282,200
16	State disability assistance program substance use	
17	disorder services .....	<u>2,018,800</u>
18	GROSS APPROPRIATION.....	\$ 3,192,876,800
19	Appropriated from:	
20	Federal revenues:	
21	Total other federal revenues.....	2,096,183,400
22	Special revenue funds:	
23	Total local revenues.....	25,475,800
24	Total other state restricted revenues.....	24,212,100
25	State general fund/general purpose.....	\$ 1,047,005,500
26	<b>Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC</b>	
27	<b>MENTAL HEALTH SERVICES</b>	

1	Total average population .....	770.0	
2	Full-time equated classified positions.....	2,290.6	
3	Caro Regional Mental Health Center - psychiatric		
4	hospital - adult--474.3 FTE positions.....		\$ 53,491,300
5	Average population .....	145.0	
6	Center for forensic psychiatry--601.1 FTE positions ..		94,729,400
7	Average population .....	240.0	
8	Gifts and bequests for patient living and treatment		
9	environment .....		1,000,000
10	Hawthorn Center - psychiatric hospital - children		
11	and adolescents--276.0 FTE positions.....		32,179,800
12	Average population .....	55.0	
13	IDEA, federal special education.....		120,000
14	Kalamazoo Psychiatric Hospital - adult--533.8 FTE		
15	positions .....		69,457,400
16	Average population .....	170.0	
17	Purchase of medical services for residents of		
18	hospitals and centers .....		445,600
19	Revenue recapture.....		750,000
20	Special maintenance.....		924,600
21	Walter P. Reuther Psychiatric Hospital - adult--405.4		
22	FTE positions .....		<u>57,673,400</u>
23	Average population .....	160.0	
24	GROSS APPROPRIATION.....		\$ 310,771,500
25	Appropriated from:		
26	Federal revenues:		
27	Total other federal revenues.....		40,231,600

1	Special revenue funds:	
2	Total local revenues.....	23,029,900
3	Total private revenues.....	1,000,000
4	Total other state restricted revenues.....	14,937,000
5	State general fund/general purpose.....	\$ 231,573,000
6	<b>Sec. 113. HEALTH POLICY</b>	
7	Full-time equated classified positions.....	50.9
8	Bone marrow transplant registry.....	\$ 250,000
9	Certificate of need program administration--11.8 FTE	
10	positions .....	2,741,600
11	Health policy administration--33.9 FTE positions .....	14,391,500
12	Human trafficking intervention services.....	200,000
13	Michigan essential health provider.....	3,591,300
14	Minority health grants and contracts.....	612,700
15	Nurse education and research program--3.0 FTE	
16	positions .....	791,300
17	Primary care services--1.2 FTE positions.....	5,748,700
18	Rural health services--1.0 FTE position.....	<u>1,555,500</u>
19	GROSS APPROPRIATION.....	\$ 29,882,600
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG from the department of education.....	2,400
23	IDG from the department of licensing and regulatory	
24	affairs .....	791,300
25	IDG from the department of treasury, Michigan state	
26	hospital finance authority .....	117,700
27	Federal revenues:	

1	Social security act, temporary assistance for needy		
2	families .....		190,900
3	Capped federal revenues .....		63,400
4	Total other federal revenues .....		17,112,600
5	Special revenue funds:		
6	Total private revenues .....		865,000
7	Total other state restricted revenues .....		2,737,500
8	State general fund/general purpose .....	\$	8,001,800
9	<b>Sec. 114. LABORATORY SERVICES</b>		
10	Full-time equated classified positions.....	100.0	
11	Laboratory services--100.0 FTE positions .....		\$ <u>22,580,200</u>
12	GROSS APPROPRIATION .....		\$ 22,580,200
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG from the department of environmental quality .....		998,400
16	Federal revenues:		
17	Total other federal revenues .....		3,838,600
18	Special revenue funds:		
19	Total other state restricted revenues .....		10,799,700
20	State general fund/general purpose .....	\$	6,943,500
21	<b>Sec. 115. DISEASE CONTROL, PREVENTION, AND</b>		
22	<b>EPIDEMIOLOGY</b>		
23	Full-time equated classified positions.....	137.9	
24	Childhood lead program--4.5 FTE positions .....		\$ 2,055,300
25	Epidemiology administration--75.1 FTE positions .....		21,179,800
26	Healthy homes program--12.0 FTE positions .....		27,754,200
27	Immunization program--12.8 FTE positions .....		16,838,100

1	Newborn screening follow-up and treatment services--	
2	10.5 FTE positions .....	7,535,600
3	PFAS and environmental contamination response--23.0	
4	FTE positions .....	<u>8,025,300</u>
5	GROSS APPROPRIATION.....	\$ 83,388,300
6	Appropriated from:	
7	Federal revenues:	
8	Total other federal revenues.....	53,784,300
9	Special revenue funds:	
10	Total private revenues.....	342,700
11	Total other state restricted revenues.....	9,721,500
12	State general fund/general purpose.....	\$ 19,539,800
13	<b>Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES</b>	
14	Full-time equated classified positions..... 228.2	
15	AIDS prevention, testing, and care programs--37.7	
16	FTE positions .....	\$ 70,682,000
17	Cancer prevention and control program--15.0 FTE	
18	positions .....	15,101,500
19	Chronic disease control and health promotion	
20	administration--23.4 FTE positions.....	8,506,800
21	Dental programs--3.8 FTE positions.....	3,759,100
22	Diabetes and kidney program--8.0 FTE positions.....	3,262,400
23	Essential local public health services.....	50,886,100
24	Health and wellness initiatives--11.7 FTE positions..	8,047,700
25	Implementation of 1993 PA 133, MCL 333.17015.....	20,000
26	Injury control intervention project.....	1,000,000
27	Local health services--1.3 FTE positions.....	1,957,500



1	Medicaid outreach cost reimbursement to local health	
2	departments .....	12,500,000
3	Public health administration--9.0 FTE positions .....	1,968,800
4	Sexually transmitted disease control program--20.0	
5	FTE positions .....	6,333,400
6	Smoking prevention program--12.0 FTE positions .....	2,168,600
7	Violence prevention--4.9 FTE positions .....	3,310,400
8	Vital records and health statistics--81.4 FTE	
9	positions .....	<u>10,167,700</u>
10	GROSS APPROPRIATION.....	\$ 199,672,000
11	Appropriated from:	
12	Federal revenues:	
13	Capped federal revenues.....	81,100
14	Total other federal revenues.....	80,208,700
15	Special revenue funds:	
16	Total local revenues.....	5,150,000
17	Total private revenues.....	39,282,400
18	Total other state restricted revenues.....	18,478,000
19	State general fund/general purpose.....	\$ 56,471,800
20	<b>Sec. 117. FAMILY, MATERNAL, AND CHILD HEALTH</b>	
21	Full-time equated classified positions..... 112.3	
22	Family, maternal, and child health	
23	administration--53.3 FTE positions.....	\$ 9,221,700
24	Family planning local agreements.....	8,310,700
25	Local MCH services.....	7,018,100
26	Pregnancy prevention program.....	602,100
27	Prenatal care outreach and service delivery	

1	support--14.0 FTE positions .....	20,647,000
2	Special projects.....	6,289,100
3	Sudden and unexpected infant death and suffocation	
4	prevention program .....	321,300
5	Women, infants, and children program administration	
6	and special projects--45.0 FTE positions.....	18,125,400
7	Women, infants, and children program local	
8	agreements and food costs .....	<u>256,285,000</u>
9	GROSS APPROPRIATION.....	\$ 326,820,400
10	Appropriated from:	
11	Federal revenues:	
12	Social security act, temporary assistance for needy	
13	families .....	650,000
14	Total other federal revenues.....	253,070,500
15	Special revenue funds:	
16	Total local revenues.....	75,000
17	Total private revenues.....	61,702,400
18	State general fund/general purpose.....	\$ 11,322,500
19	<b>Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND</b>	
20	<b>PREPAREDNESS</b>	
21	Full-time equated classified positions..... 76.0	
22	Bioterrorism preparedness--53.0 FTE positions.....	\$ 30,491,300
23	Emergency medical services program--23.0 FTE positions	<u>6,609,500</u>
24	GROSS APPROPRIATION.....	\$ 37,100,800
25	Appropriated from:	
26	Federal revenues:	
27	Total other federal revenues.....	31,435,300

1	Special revenue funds:	
2	Total other state restricted revenues .....	4,055,200
3	State general fund/general purpose .....	\$ 1,610,300
4	<b>Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
5	Full-time equated classified positions..... 46.8	
6	Bequests for care and services--2.8 FTE positions ....	\$ 1,837,800
7	Children's special health care services	
8	administration--44.0 FTE positions.....	6,101,400
9	Medical care and treatment .....	220,640,800
10	Nonemergency medical transportation.....	905,900
11	Outreach and advocacy.....	<u>5,510,000</u>
12	GROSS APPROPRIATION.....	\$ 234,995,900
13	Appropriated from:	
14	Federal revenues:	
15	Total other federal revenues .....	126,143,700
16	Special revenue funds:	
17	Total private revenues .....	1,016,200
18	Total other state restricted revenues .....	3,682,900
19	State general fund/general purpose .....	\$ 104,153,100
20	<b>Sec. 120. AGING AND ADULT SERVICES AGENCY</b>	
21	Full-time equated classified positions..... 47.0	
22	Ageing and adult services administration--47.0 FTE	
23	positions .....	\$ 8,828,300
24	Community services.....	47,117,300
25	Employment assistance.....	3,500,000
26	Nutrition services.....	42,254,200
27	Respite care program.....	6,468,700

1	Senior volunteer service programs .....	<u>4,465,300</u>
2	GROSS APPROPRIATION.....	\$ 112,633,800
3	Appropriated from:	
4	Federal revenues:	
5	Capped federal revenues.....	371,500
6	Total other federal revenues.....	59,094,200
7	Special revenue funds:	
8	Total private revenues.....	520,000
9	Michigan merit award trust fund.....	4,068,700
10	Total other state restricted revenues.....	2,000,000
11	State general fund/general purpose.....	\$ 46,579,400
12	<b>Sec. 121. MEDICAL SERVICES ADMINISTRATION</b>	
13	Full-time equated classified positions.....	453.0
14	Electronic health record incentive program--23.0 FTE	
15	positions .....	\$ 96,087,400
16	Healthy Michigan plan administration--30.0 FTE	
17	positions .....	47,578,400
18	Medical services administration--357.0 FTE positions .	83,487,900
19	Technology supporting integrated service	
20	delivery--43.0 FTE positions .....	<u>54,056,700</u>
21	GROSS APPROPRIATION.....	\$ 281,210,400
22	Appropriated from:	
23	Federal revenues:	
24	Social security act, temporary assistance for needy	
25	families .....	749,600
26	Capped federal revenues.....	910,700
27	Total other federal revenues.....	233,889,600

1	Special revenue funds:	
2	Total local revenues.....	37,700
3	Total private revenues.....	101,300
4	Total other state restricted revenues.....	336,300
5	State general fund/general purpose.....	\$ 45,185,200
6	<b>Sec. 122. MEDICAL SERVICES</b>	
7	Adult home help services.....	\$ 329,924,000
8	Ambulance services.....	20,922,500
9	Auxiliary medical services.....	6,139,600
10	Dental clinic program.....	1,000,000
11	Dental services.....	287,869,400
12	Federal Medicare pharmaceutical program.....	281,072,800
13	Health plan services.....	5,005,748,700
14	Healthy Michigan plan - fee for service.....	753,435,000
15	Healthy Michigan plan - managed care.....	3,013,740,000
16	Home health services.....	5,498,000
17	Hospice services.....	110,207,800
18	Hospital disproportionate share payments.....	45,000,000
19	Hospital services and therapy.....	742,142,700
20	Integrated care organizations.....	201,080,800
21	Long-term care services.....	1,834,842,900
22	Maternal and child health.....	26,279,500
23	Medicaid home- and community-based services waiver...	350,062,600
24	Medicare premium payments.....	631,305,100
25	Personal care services.....	9,678,800
26	Pharmaceutical services.....	300,659,300
27	Physician services.....	272,246,200

1	Program of all-inclusive care for the elderly.....	149,774,600
2	School-based services.....	109,937,200
3	Special Medicaid reimbursement.....	309,532,500
4	Transportation.....	<u>19,683,700</u>
5	GROSS APPROPRIATION.....	\$ 14,817,783,700
6	Appropriated from:	
7	Federal revenues:	
8	Total other federal revenues.....	10,679,403,200
9	Special revenue funds:	
10	Total local revenues.....	34,685,600
11	Total private revenues.....	2,100,000
12	Michigan merit award trust fund.....	48,200,000
13	Total other state restricted revenues.....	2,217,935,100
14	State general fund/general purpose.....	\$ 1,835,459,800
15	<b>Sec. 123. INFORMATION TECHNOLOGY</b>	
16	Child support automation.....	\$ 44,425,600
17	Information technology services and projects.....	157,656,000
18	Michigan Medicaid information system.....	<u>75,634,400</u>
19	GROSS APPROPRIATION.....	\$ 277,716,000
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG from department of education.....	1,067,000
23	Federal revenues:	
24	Social security act, temporary assistance for needy	
25	families .....	24,104,900
26	Capped federal revenues.....	21,934,900
27	Total other federal revenues.....	130,213,500

1	Special revenue funds:		
2	Total private revenues.....		25,000,000
3	Total other state restricted revenues.....		1,999,800
4	State general fund/general purpose.....	\$	73,395,900
5	<b>Sec. 124. ONE-TIME APPROPRIATIONS</b>		
6	Autism navigator.....	\$	565,000
7	Autism train the trainer grant.....		100
8	Child lead poisoning elimination board.....		1,250,000
9	Cloud-based analytics platform.....		100
10	Dental clinic program.....		100
11	Drinking water declaration of emergency.....		4,621,100
12	Employment first.....		500,000
13	Infant mortality program grant.....		100,000
14	Multicultural integration funding.....		1,381,100
15	Primary care and dental health services.....		100
16	Primary care hospital grant.....		200,000
17	Refugee assistance grant.....		175,000
18	Veterans' in-home services pilot.....		200
19	Western Michigan University clinics.....		<u>2,000,000</u>
20	GROSS APPROPRIATION.....	\$	10,792,800
21	Appropriated from:		
22	Special revenue funds:		
23	Total other state restricted revenues.....		100
24	State general fund/general purpose.....	\$	10,792,700

25 PART 2

PROVISIONS CONCERNING APPROPRIATIONS  
 FOR FISCAL YEAR 2018-2019

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2018-2019 is \$6,979,989,400.00 and state spending from state sources to be paid to local units of government for fiscal year 2018-2019 is \$1,470,577,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 COMMUNITY SERVICES AND OUTREACH

Crime victim rights services grants .....	\$	7,474,800
Housing and support services .....		550,700

CHILDREN'S SERVICES AGENCY - CHILD WELFARE

Child care fund.....	\$	153,769,100
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PUBLIC ASSISTANCE

Family independence program.....	\$	4,200
Multicultural integration funding.....		1,193,300
State disability assistance payments.....		621,300

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

Behavioral health program administration.....	\$	2,388,700
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BEHAVIORAL HEALTH SERVICES

Autism services.....	\$	71,321,100
Children with serious emotional disturbance waiver ...		3,555,000
Children's waiver home care program.....		7,195,700
Community mental health non-Medicaid services .....		120,050,400



1	Community substance use disorder prevention,		
2	education, and treatment .....		16,208,500
3	Health homes.....		70,700
4	Healthy Michigan plan - behavioral health.....		19,775,100
5	Medicaid mental health services.....		803,544,400
6	Medicaid substance use disorder services.....		23,988,800
7	Nursing home PAS/ARR-OBRA.....		3,070,500
8	State disability assistance program substance use		
9	disorder services .....		2,018,400
10	STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL		
11	HEALTH SERVICES		
12	Caro Regional Mental Health Center - psychiatric		
13	hospital - adult .....	\$	1,200
14	Center for forensic psychiatry.....		1,400
15	HEALTH POLICY		
16	Primary care services.....	\$	88,900
17	DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY		
18	Childhood lead program.....	\$	72,700
19	Epidemiology administration.....		291,400
20	Healthy homes program.....		10,000
21	Immunization program.....		1,138,900
22	LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
23	AIDS prevention, testing, and care programs.....	\$	2,038,400
24	Cancer prevention and control program.....		121,400
25	Essential local public health services.....		45,736,100
26	Health and wellness initiatives.....		2,363,300
27	Public health administration.....		19,800

1	Sexually transmitted disease control program.....		438,400
2	FAMILY, MATERNAL, AND CHILD HEALTH		
3	Family planning local agreements.....	\$	225,400
4	Prenatal care outreach and service delivery support ..		3,941,500
5	EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS		
6	Emergency medical services program.....	\$	71,000
7	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
8	Medical care and treatment.....	\$	797,200
9	Outreach and advocacy.....		2,598,100
10	AGING AND ADULT SERVICES AGENCY		
11	Aging and adult services administration.....	\$	594,100
12	Community services.....		22,226,700
13	Nutrition services.....		11,086,900
14	Respite care program.....		5,224,500
15	Senior volunteer service programs.....		946,300
16	MEDICAL SERVICES ADMINISTRATION		
17	Medical services administration.....	\$	282,000
18	MEDICAL SERVICES		
19	Adult home help services.....	\$	486,300
20	Ambulance services.....		475,900
21	Auxiliary medical services.....		1,300
22	Dental services.....		1,265,400
23	Healthy Michigan plan-managed care.....		4,353,000
24	Home health services.....		8,200
25	Hospice services.....		38,100
26	Hospital services and therapy.....		1,313,400
27	Long-term care services.....		104,351,600

1	Medicaid home- and community-based services waiver ...	10,995,100
2	Personal care services.....	23,800
3	Pharmaceutical services.....	20,300
4	Physician services.....	4,690,100
5	Special Medicaid reimbursement.....	5,415,200
6	Transportation.....	<u>23,200</u>
7	TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT.....	\$ 1,470,577,000

8       Sec. 202. The appropriations authorized under this part and  
9 part 1 are subject to the management and budget act, 1984 PA 431,  
10 MCL 18.1101 to 18.1594.

11       Sec. 203. As used in this part and part 1:

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) "CMS" means the Centers for Medicare and Medicaid  
17 Services.

18       (d) "Current fiscal year" means the fiscal year ending  
19 September 30, 2019.

20       (e) "Department" means the department of health and human  
21 services.

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

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

24       (h) "EPSDT" means early and periodic screening, diagnosis, and  
25 treatment.

26       (i) "Federal poverty level" means the poverty guidelines  
27 published annually in the Federal Register by the United States

1 Department of Health and Human Services under its authority to  
2 revise the poverty line under 42 USC 9902.

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

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

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

8 (m) "HEDIS" means healthcare effectiveness data and  
9 information set.

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

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

13 (p) "IDG" means interdepartmental grant.

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

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

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

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

21 (u) "MiChild" means the program described in section 1670 of  
22 this part.

23 (v) "MiSACWIS" means Michigan statewide automated child  
24 welfare information system.

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

1 1396r.

2 (x) "PIHP" means an entity designated by the department as a  
3 regional entity or a specialty prepaid inpatient health plan for  
4 Medicaid mental health services, services to individuals with  
5 developmental disabilities, and substance use disorder services.  
6 Regional entities are described in section 204b of the mental  
7 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid  
8 inpatient health plans are described in section 232b of the mental  
9 health code, 1974 PA 258, MCL 330.1232b.

10 (y) "Previous fiscal year" means the fiscal year ending  
11 September 30, 2018.

12 (z) "Quarterly reports" means 4 reports shall be submitted to  
13 the required recipients by the following dates: February 1, April  
14 1, and July 1 of the current fiscal year, with the final report  
15 submitted within 15 business days after the end of the current  
16 fiscal year.

17 (aa) "Semiannual basis" means March 1 of the current fiscal  
18 year and within 15 business days after the end of the current  
19 fiscal year.

20 (bb) "Settlement" means the settlement agreement entered in  
21 the case of *Dwayne B. v Snyder*, docket no. 2:06-cv-13548 in the  
22 United States District Court for the Eastern District of Michigan.

23 (cc) "SSI" means supplemental security income.

24 (dd) "Temporary assistance for needy families" or "TANF" or  
25 "title IV-A" means part A of subchapter IV of the social security  
26 act, 42 USC 601 to 619.

27 (ee) "Title IV-B" means part B of title IV of the social

1 security act, 42 USC 620 to 629m.

2 (ff) "Title IV-D" means part D of title IV of the social  
3 security act, 42 USC 651 to 669b.

4 (gg) "Title IV-E" means part E of title IV of the social  
5 security act, 42 USC 670 to 679c.

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

9 Sec. 204. Unless otherwise specified, the departments and  
10 agencies receiving appropriations in part 1 shall use the internet  
11 to fulfill the reporting requirements of this part and part 1. This  
12 requirement shall include transmission of reports via electronic  
13 mail to the recipients identified for each reporting requirement,  
14 and it shall include placement of reports on the internet.

15 Sec. 205. Funds appropriated in part 1 shall not be used for  
16 the purchase of foreign goods or services, or both, if  
17 competitively priced and of comparable quality American goods or  
18 services, or both, are available. Preference shall be given to  
19 goods or services, or both, manufactured or provided by Michigan  
20 businesses if they are competitively priced and of comparable  
21 quality. In addition, preference shall be given to goods or  
22 services, or both, that are manufactured or provided by Michigan  
23 businesses owned and operated by veterans if they are competitively  
24 priced and of comparable quality.

25 Sec. 206. The director shall take all reasonable steps to  
26 ensure businesses in deprived and depressed communities compete for  
27 and perform contracts to provide services or supplies, or both.

1 Each director shall strongly encourage firms with which the  
2 department contracts to subcontract with certified businesses in  
3 depressed and deprived communities for services, supplies, or both.

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

14 (a) The dates of each travel occurrence.

15 (b) The transportation and related costs of each travel  
16 occurrence, including the proportion funded with state general  
17 fund/general purpose revenues, the proportion funded with state  
18 restricted revenues, the proportion funded with federal revenues,  
19 and the proportion funded with other revenues.

20 Sec. 208. Funds appropriated in part 1 shall not be used by a  
21 principal executive department, state agency, or authority to hire  
22 a person to provide legal services that are the responsibility of  
23 the attorney general. This prohibition does not apply to legal  
24 services for bonding activities and for those outside services that  
25 the attorney general authorizes.

26 Sec. 209. By November 30, the state budget office shall  
27 prepare and transmit a report that provides for estimates of the

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

8       Sec. 210. (1) In addition to the funds appropriated in part 1,  
9 there is appropriated an amount not to exceed \$400,000,000.00 for  
10 federal contingency funds. These funds are not available for  
11 expenditure until they have been transferred to another line item  
12 in part 1 under section 393(2) of the management and budget act,  
13 1984 PA 431, MCL 18.1393. These funds shall not be made available  
14 to increase TANF authorization.

15       (2) In addition to the funds appropriated in part 1, there is  
16 appropriated an amount not to exceed \$45,000,000.00 for state  
17 restricted contingency funds. These funds are not available for  
18 expenditure until they have been transferred to another line item  
19 in part 1 under section 393(2) of the management and budget act,  
20 1984 PA 431, MCL 18.1393.

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

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



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

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

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

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

12 (c) Fiscal year-to-date payments to a selected vendor,  
13 including the vendor name, payment date, payment amount, and  
14 payment description.

15 (d) The number of active department employees by job  
16 classification.

17 (e) Job specifications and wage rates.

18 Sec. 212. Within 14 days after the release of the executive  
19 budget recommendation, the department shall cooperate with the  
20 state budget office to provide the senate and house appropriations  
21 chairs, the senate and house appropriations subcommittees chairs on  
22 the department budget, and the senate and house fiscal agencies  
23 with an annual report on estimated state restricted fund balances,  
24 state restricted fund projected revenues, and state restricted fund  
25 expenditures for the previous fiscal year and the current fiscal  
26 year.

27 Sec. 213. The department shall maintain, on a publicly

1 accessible website, a department scorecard that identifies, tracks,  
2 and regularly updates key metrics that are used to monitor and  
3 improve the department's performance.

4       Sec. 214. Total authorized appropriations from all sources  
5 under part 1 for legacy costs for the current fiscal year are  
6 estimated at \$365,234,500.00. From this amount, total agency  
7 appropriations for pension-related legacy costs are estimated at  
8 \$168,379,300.00. Total agency appropriations for retiree health  
9 care legacy costs are estimated at \$196,855,200.00.

10       Sec. 215. If either of the following events occur, within 30  
11 days the department shall notify the state budget director, the  
12 chairs of the house and senate appropriations subcommittees on the  
13 department budget, and the house and senate fiscal agencies and  
14 policy offices of that fact:

15       (a) A legislative objective of this part or of a bill or  
16 amendment to a bill to amend the social welfare act, 1939 PA 280,  
17 MCL 400.1 to 400.119b, cannot be implemented because implementation  
18 would conflict with or violate federal regulations.

19       (b) A federal grant, for which a notice of an award has been  
20 received, cannot be used, or will not be used.

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

27       (2) The department's ability to satisfy appropriation fund

1 sources in part 1 shall not be limited to collections and accruals  
2 pertaining to services provided in the current fiscal year, but  
3 shall also include reimbursements, refunds, adjustments, and  
4 settlements from prior years.

5       Sec. 217. (1) By February 1 of the current fiscal year, the  
6 department shall report to the house and senate appropriations  
7 subcommittees on the department budget, the house and senate fiscal  
8 agencies, and the state budget director on the detailed name and  
9 amounts of estimated federal, restricted, private, and local  
10 sources of revenue that support the appropriations in each of the  
11 line items in part 1.

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

18       Sec. 218. The department shall include, but not be limited to,  
19 the following in its annual list of proposed basic health services  
20 as required in part 23 of the public health code, 1978 PA 368, MCL  
21 333.2301 to 333.2321:

- 22       (a) Immunizations.
- 23       (b) Communicable disease control.
- 24       (c) Sexually transmitted disease control.
- 25       (d) Tuberculosis control.
- 26       (e) Prevention of gonorrhoea eye infection in newborns.
- 27       (f) Screening newborns for the conditions listed in section

1 5431 of the public health code, 1978 PA 368, MCL 333.5431, or  
2 recommended by the newborn screening quality assurance advisory  
3 committee created under section 5430 of the public health code,  
4 1978 PA 368, MCL 333.5430.

5 (g) Health and human services annex of the Michigan emergency  
6 management plan.

7 (h) Prenatal care.

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

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

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

23 (c) The expected project duration.

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

27 (2) On or before December 30 of the current fiscal year, the

1 department shall provide to the same parties listed in subsection  
2 (1) a copy of all reports, studies, and publications produced by  
3 the Michigan Public Health Institute, its subcontractors, or the  
4 department with the funds appropriated in the department's budget  
5 in the previous fiscal year and allocated to the Michigan Public  
6 Health Institute.

7       Sec. 220. The department shall ensure that faith-based  
8 organizations are able to apply and compete for services, programs,  
9 or contracts that they are qualified and suitable to fulfill. The  
10 department shall not disqualify faith-based organizations solely on  
11 the basis of the religious nature of their organization or their  
12 guiding principles or statements of faith.

13       Sec. 221. According to section 1b of the social welfare act,  
14 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this  
15 part as a time-limited addendum to the social welfare act, 1939 PA  
16 280, MCL 400.1 to 400.119b.

17       Sec. 222. (1) The department shall make the entire policy and  
18 procedures manual available and accessible to the public via the  
19 department website.

20       (2) The department shall report by April 1 of the current  
21 fiscal year on each specific policy change made to implement a  
22 public act affecting the department that took effect during the  
23 prior calendar year to the house and senate appropriations  
24 subcommittees on the budget for the department, the joint committee  
25 on administrative rules, the senate and house fiscal agencies, and  
26 policy offices. The department shall attach each policy bulletin  
27 issued during the prior calendar year to this report.

1           Sec. 223. The department may establish and collect fees for  
2 publications, videos and related materials, conferences, and  
3 workshops. Collected fees are appropriated when received and shall  
4 be used to offset expenditures to pay for printing and mailing  
5 costs of the publications, videos and related materials, and costs  
6 of the workshops and conferences. The department shall not collect  
7 fees under this section that exceed the cost of the expenditures.  
8 When collected fees are appropriated under this section in an  
9 amount that exceeds the current fiscal year appropriation, within  
10 30 days the department shall notify the chairs of the house and  
11 senate appropriations subcommittees on the department budget, the  
12 house and senate fiscal agencies and policy offices, and the state  
13 budget director of that fact.

14           Sec. 224. The department may retain all of the state's share  
15 of food assistance overissuance collections as an offset to general  
16 fund/general purpose costs. Retained collections shall be applied  
17 against federal funds deductions in all appropriation units where  
18 department costs related to the investigation and recoupment of  
19 food assistance overissuances are incurred. Retained collections in  
20 excess of such costs shall be applied against the federal funds  
21 deducted in the departmental administration and support  
22 appropriation unit.

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

27           (2) Neither the department nor private service providers or

1 licensees shall be granted preferential treatment or considered  
2 automatically to be in compliance with administrative rules based  
3 on whether they have collective bargaining agreements with direct  
4 care workers. Private service providers or licensees without  
5 collective bargaining agreements shall not be subjected to  
6 additional requirements or conditions of licensure based on their  
7 lack of collective bargaining agreements.

8       Sec. 226. If the revenue collected by the department from fees  
9 and collections exceeds the amount appropriated in part 1, the  
10 revenue may be carried forward with the approval of the state  
11 budget director into the subsequent fiscal year. The revenue  
12 carried forward under this section shall be used as the first  
13 source of funds in the subsequent fiscal year.

14       Sec. 227. The state departments, agencies, and commissions  
15 receiving tobacco tax funds and Healthy Michigan fund revenue from  
16 part 1 shall report by April 1 of the current fiscal year to the  
17 senate and house appropriations committees, the senate and house  
18 fiscal agencies, and the state budget director on the following:

19       (a) Detailed spending plan by appropriation line item  
20 including description of programs and a summary of organizations  
21 receiving these funds.

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

24       (c) Eligibility criteria for program participation and maximum  
25 benefit levels where applicable.

26       (d) Outcome measures used to evaluate programs, including  
27 measures of the effectiveness of these programs in improving the

1 health of Michigan residents.

2       Sec. 229. (1) The department shall extend the interagency  
3 agreement with the Michigan talent investment agency for the  
4 duration of the current fiscal year, which concerns TANF funding to  
5 provide job readiness and welfare-to-work programming. The  
6 interagency agreement shall include specific outcome and  
7 performance reporting requirements as described in this section.  
8 TANF funding provided to the Michigan talent investment agency in  
9 the current fiscal year is contingent on compliance with the data  
10 and reporting requirements described in this section. The  
11 interagency agreement must require the Michigan talent investment  
12 agency to provide all of the following items by January 1 of the  
13 current fiscal year for the previous fiscal year to the senate and  
14 house appropriations subcommittees on the department budget and the  
15 state budget office:

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

18       (i) Direct services to recipients.

19       (ii) Administrative expenditures.

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

22       (i) The number and percentage who obtained employment through  
23 Michigan Works!

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

26       (iii) Average TANF spending per recipient.

27       (iv) The number and percentage of recipients who were referred



1 to Michigan Works! but did not receive a job or job readiness  
2 placement and the reasons why.

3 (2) By March 1 of the current fiscal year, the department  
4 shall provide to the senate and house appropriations subcommittees  
5 on the department budget, the senate and house fiscal agencies, the  
6 senate and house policy offices, and the state budget office an  
7 annual report on the following matters itemized by Michigan Works!  
8 agency: the number of referrals to Michigan Works! job readiness  
9 programs, the number of referrals to Michigan Works! job readiness  
10 programs who became a participant in the Michigan Works! job  
11 readiness programs, the number of participants who obtained  
12 employment, and the cost per participant case.

13 Sec. 230. By December 31 of the current fiscal year, the  
14 department shall report to the senate and house appropriations  
15 subcommittees on the department budget, the senate and house fiscal  
16 agencies and policy offices, and the state budget office on the  
17 status of the implementation of any noninflationary, noncaseload,  
18 programmatic funding increases from the previous fiscal year. The  
19 report shall confirm the implementation of already implemented  
20 funding increases and provide explanations for any planned  
21 implementation of funding increases that have not yet occurred. For  
22 any planned implementation of funding increases that have not yet  
23 occurred, the department shall provide an expected implementation  
24 date and the reasons for delayed implementation.

25 Sec. 231. From the funds appropriated in part 1 for travel  
26 reimbursements to employees, the department shall allocate up to  
27 \$100,000.00 toward reimbursing counties for the out-of-pocket

1 travel costs of the local county department board members and  
2 county department directors to attend 1 meeting per year of the  
3 Michigan County Social Services Association.

4       Sec. 232. (1) The department shall provide the approved  
5 spending plan for each line item receiving an appropriation in the  
6 current fiscal year to the senate and house appropriations  
7 subcommittees on the department budget and the senate and house  
8 fiscal agencies within 60 days of approval by the department but  
9 not later than January 15 of the current fiscal year. The spending  
10 plan shall include the following information regarding planned  
11 expenditures for each category: allocation in the previous period,  
12 change in the allocation, and new allocation. The spending plan  
13 shall include the following information regarding each revenue  
14 source for the line item: category of the fund source indicated by  
15 general fund/general purpose, state restricted, local, private or  
16 federal. Figures included in the approved spending plan shall not  
17 be assumed to constitute the actual final expenditures, as line  
18 items may be updated on an as-needed basis to reflect changes in  
19 projected expenditures and projected revenue. The department shall  
20 supplement the spending plan information by providing a list of all  
21 active contract and grants in the department's contract systems.

22       (2) Notwithstanding any other appropriation authority granted  
23 in part 1, the department shall not appropriate any additional  
24 general fund/general purpose funds or any related federal and state  
25 restricted funds without providing a written 30-day notice to the  
26 senate and house appropriations subcommittees on the department  
27 budget, the senate and house fiscal agencies, and the senate and

## Senate Bill No. 856 as amended May 3, 2018

1 house policy offices.

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

<<Sec. 256. The department shall, in consultation with the Michigan  
department of education, the Michigan domestic and sexual violence  
prevention and treatment board, and the Michigan coalition to end  
domestic and sexual violence, re-draft the curriculum for the "Growing Up  
& Staying Healthy" and "Healthy & Responsible Relationships" modules to  
include age-appropriate information about the importance of consent,  
setting and respecting personal boundaries, and the prevention of child  
sexual abuse as outlined in MCL 380.1505 and consistent with the  
recommendations and guidelines set by the task force on the prevention of  
sexual abuse of children created under section 12b of the child  
protection law, 1975 PA 238, MCL 722.632b, and the prevention of sexual  
assault and dating violence.>>

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

25       (2) The department shall provide written reports on a  
26 semiannual basis to the senate and house appropriations  
27 subcommittees on the department budget, the senate and house fiscal

1 agencies, and the state budget office summarizing the status of any  
2 new or ongoing discussions with CMS or the United States Department  
3 of Health and Human Services or other federal agency regarding  
4 potential or future waiver applications as well as the status of  
5 submitted waivers that have not yet received federal approval. If,  
6 at the time a biannual report is due, there are no reportable  
7 items, then no report is required to be provided.

8       Sec. 264. The department shall not take disciplinary action  
9 against an employee for communicating with a member of the  
10 legislature or his or her staff.

11       Sec. 270. The department shall advise the legislature of the  
12 receipt of a notification from the attorney general's office of a  
13 legal action in which expenses had been recovered pursuant to  
14 section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106,  
15 or any other statute under which the department has the right to  
16 recover expenses. On a semiannual basis, the department shall  
17 submit a written report to the house and senate appropriations  
18 subcommittees on the department budget, the house and senate fiscal  
19 agencies, and the state budget office that includes, at a minimum,  
20 all of the following:

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

22       (b) The program or service for which the money was originally  
23 expended.

24       (c) Details on the disposition of the funds recovered such as  
25 the appropriation or revenue account in which the money was  
26 deposited.

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

1           Sec. 273. (1) Funding for salaries and wages for unclassified  
2 employees shall only be provided from the unclassified salaries and  
3 unclassified salaries allocated pursuant to section 273 line items.

4           (2) From the funds appropriated in part 1 for unclassified  
5 salaries allocated pursuant to section 273, \$294,000.00 shall be  
6 released to reimburse salaries and wages for unclassified employees  
7 upon the submission of waivers to the federal government to  
8 implement sections 107a and 107b of the social welfare act, 1939 PA  
9 280, MCL 400.107a and 400.107b, if those waivers are submitted by  
10 October 1, 2018.

11           (3) From the funds appropriated in part 1 for unclassified  
12 salaries allocated pursuant to section 273, \$294,000.00 shall be  
13 released to reimburse salaries and wages for unclassified employees  
14 upon the approval of waivers by the federal government to implement  
15 sections 107a and 107b of the social welfare act, 1939 PA 280, MCL  
16 400.107a and 400.107b.

17           Sec. 274. (1) The department, in collaboration with the state  
18 budget office, shall submit to the house and senate appropriations  
19 subcommittees on the department budget, the house and senate fiscal  
20 agencies, and the house and senate policy offices 1 week after the  
21 day the governor submits to the legislature the budget for the  
22 ensuing fiscal year a report on spending and revenue projections  
23 for each of the capped federal funds listed below. The report shall  
24 contain actual spending and revenue in the previous fiscal year,  
25 spending and revenue projections for the current fiscal year as  
26 enacted, and spending and revenue projections within the executive  
27 budget proposal for the fiscal year beginning October 1, 2019 for

1 each individual line item for the department budget. The report  
2 shall also include federal funds transferred to other departments.  
3 The capped federal funds shall include, but not be limited to, all  
4 of the following:

5 (a) TANF.

6 (b) Title XX social services block grant.

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

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

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

11 (2) It is the intent of the legislature that the department,  
12 in collaboration with the state budget office, not utilize capped  
13 federal funding for economics adjustments for FTEs or other  
14 economics costs that are included as part of the budget submitted  
15 to the legislature by the governor for the ensuing fiscal year,  
16 unless there is a reasonable expectation for increased federal  
17 funding to be available to the department from that capped revenue  
18 source in the ensuing fiscal year.

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

24 (a) Other departments.

25 (b) Local units of government.

26 (c) Private sources.

27 Sec. 275. (1) As part of the year-end closing process, the

1 department, with the approval of the state budget director, is  
2 authorized to realign sources between other federal, TANF, and  
3 capped federal financing authorizations in order to maximize  
4 federal revenues. This realignment of financing shall not produce a  
5 gross increase or decrease in the department's total individual  
6 line item authorizations, nor will it produce a net increase or  
7 decrease in total federal revenues, or a net increase in TANF  
8 authorization.

9 (2) Not later than November 30, the department shall submit to  
10 the house and senate appropriations subcommittees on the department  
11 budget, the house and senate fiscal agencies, and the house and  
12 senate policy offices a report on the realignment of federal fund  
13 sources that took place as part of the year-end closing process for  
14 the previous fiscal year.

15 Sec. 276. (1) Funds appropriated in part 1 for Healthy  
16 Michigan plan - behavioral health and Healthy Michigan plan shall  
17 not be expended to provide Medicaid coverage or premium assistance  
18 on the exchange to a qualified Medicaid recipient. The department  
19 shall submit to CMS any necessary waivers or amendments to  
20 implement this section.

21 (2) It is the intent of the legislature that the completion of  
22 a healthy behavior by a qualified Medicaid recipient by June 1 of  
23 the current fiscal year does not qualify the Medicaid recipient for  
24 continued enrollment in the Healthy Michigan plan.

25 (3) As used in this section:

26 (a) "Healthy Michigan plan" means the medical assistance  
27 program described in section 105d of the social welfare act.

1 (b) "Qualified Medicaid recipient" means a Medicaid recipient  
2 who is enrolled in the Healthy Michigan Plan, has an income of at  
3 least 100% of the federal poverty level, and has had medical  
4 assistance coverage through the Healthy Michigan Plan for 48  
5 cumulative months beginning on the date of the recipient's  
6 enrollment in the Healthy Michigan Plan.

7 Sec. 279. (1) All master contracts relating to human services  
8 as funded by the appropriations in sections 103, 104, 105, 106,  
9 107, 108, and 109 of part 1 shall be performance-based contracts  
10 that employ a client-centered results-oriented process that is  
11 based on measurable performance indicators and desired outcomes and  
12 includes the annual assessment of the quality of services provided.

13 (2) By February 1 of the current fiscal year, the department  
14 shall provide the senate and house appropriations subcommittees on  
15 the department budget, the senate and house fiscal agencies and  
16 policy offices, and the state budget office a report detailing  
17 measurable performance indicators, desired outcomes, and an  
18 assessment of the quality of services provided by the department  
19 during the previous fiscal year.

20 Sec. 280. On a semiannual basis, the department shall provide  
21 a report to the house and senate appropriations committees, the  
22 house and senate fiscal agencies, the house and senate policy  
23 offices, and the state budget director that provides all of the  
24 following for each line item in part 1 containing personnel-related  
25 costs, including the specific individual amounts for salaries and  
26 wages, payroll taxes, and fringe benefits:

27 (a) FTE authorization.



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

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

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

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

10 Sec. 288. (1) Beginning October 1 of the current fiscal year,  
11 no less than 90% of a new department contract supported solely from  
12 state restricted funds or general fund/general purpose funds and  
13 designated in this part or part 1 for a specific entity for the  
14 purpose of providing services to individuals shall be expended for  
15 such services after the first year of the contract.

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

20 (3) By September 30 of the current fiscal year, the department  
21 shall report to the house and senate appropriations subcommittees  
22 on the department budget, house and senate fiscal agencies, and  
23 state budget office on the rationale for all exceptions made to the  
24 provision in subsection (1) and the number of contracts terminated  
25 due to violations of subsection (1).

26 Sec. 289. By March 1 of the current fiscal year, the  
27 department shall provide to the senate and house appropriations

1 subcommittees on the department budget, the senate and house fiscal  
2 agencies, and the senate and house policy offices an annual report  
3 on the supervisor-to-staff ratio by department divisions and  
4 subdivisions.

5       Sec. 290. Any public advertisement for public assistance shall  
6 also inform the public of the welfare fraud hotline operated by the  
7 department.

8       Sec. 291. The department shall verify, using the e-verify  
9 system, that all new department employees, and new hire employees  
10 of contractors and subcontractors paid from funds appropriated in  
11 part 1, are legally present in the United States. The department  
12 may verify this information directly or may require contractors and  
13 subcontractors to verify the information and submit a certification  
14 to the department.

15       Sec. 295. (1) From the funds appropriated in part 1 to  
16 agencies providing physical and behavioral health services to  
17 multicultural populations, the department shall award grants in  
18 accordance with the requirements of subsection (2). The state is  
19 not liable for any spending above the contract amount. Funds shall  
20 not be released until reporting requirements under section 295 of  
21 article X of 2017 PA 107 are satisfied.

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

27       (a) Each contractor or subcontractor shall have accreditations

1 that attest to their competency and effectiveness as behavioral  
2 health and social service agencies.

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

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

8 (d) Each contractor or subcontractor shall demonstrate cost-  
9 effectiveness.

10 (e) Each contractor or subcontractor shall ensure their  
11 ability to leverage private dollars to strengthen and maximize  
12 service provision.

13 (f) Each contractor or subcontractor shall provide timely and  
14 accurate reports regarding the number of clients served, units of  
15 service provision, and ability to meet their stated goals.

16 (3) The department shall require an annual report from the  
17 contractors described in subsection (2). The annual report, due 60  
18 days following the end of the contract period, shall include  
19 specific information on services and programs provided, the client  
20 base to which the services and programs were provided, information  
21 on any wraparound services provided, and the expenditures for those  
22 services. The department shall provide the annual reports to the  
23 senate and house appropriations subcommittees on health and human  
24 services, the senate and house fiscal agencies, and the state  
25 budget office.

26 Sec. 296. From the funds appropriated in part 1, the  
27 department is responsible for the necessary and reasonable attorney

1 fees and costs incurred by private and independent legal counsel  
2 chosen by current and former classified and unclassified department  
3 employees in the defense of the department employees in any state  
4 or federal lawsuit or investigation related to the municipal water  
5 system in a city in which a declaration of emergency has been  
6 proclaimed because of drinking water contamination.

7       Sec. 297. On a semiannual basis, the department shall report  
8 on the number of FTEs in pay status by type of staff. The report  
9 shall include a comparison by line item of the number of FTEs  
10 authorized from funds appropriated in part 1 to the actual number  
11 of FTEs employed by the department at the end of the reporting  
12 period.

13       Sec. 298. (1) The department shall continue to work with a  
14 willing CMHSP in Kent County and all willing Medicaid health plans  
15 in the county to pilot a full physical and behavioral health  
16 integrated service demonstration model. The department shall ensure  
17 that the demonstration model described in this subsection is  
18 implemented in a manner that ensures at least all of the following:

19       (a) That any changes made to a Medicaid waiver or Medicaid  
20 state plan to implement the pilot project described in this  
21 subsection must only be in effect for the duration of the pilot  
22 project described in this subsection.

23       (b) That the project is consistent with the stated core values  
24 as identified in the final report of the workgroup established in  
25 section 298 of article X of 2016 PA 268.

26       (c) That updates are provided to the medical care advisory  
27 council, behavioral health advisory council, and developmental

1 disabilities council.

2 (2) In addition to the pilot project described in subsection  
3 (1), the department shall continue to implement up to 3 pilot  
4 projects to achieve fully financially integrated Medicaid  
5 behavioral health and physical health benefit and financial  
6 integration demonstration models. These demonstration models shall  
7 use single contracts between the state and each licensed Medicaid  
8 health plan that is currently contracted to provide Medicaid  
9 services in the geographic area of the pilot project. The  
10 department shall ensure that the pilot projects described in this  
11 subsection are implemented in a manner that ensures at least all of  
12 the following:

13 (a) That allows the CMHSP in the geographic area of the pilot  
14 project to be a provider of behavioral health supports and  
15 services.

16 (b) That any changes made to a Medicaid waiver or Medicaid  
17 state plan to implement the pilot projects described in this  
18 subsection must only be in effect for the duration of the pilot  
19 programs established under section 298 of article X of 2016 PA 268.

20 (c) That the project is consistent with the stated core values  
21 as identified in the final report of the workgroup described in  
22 subsection (1).

23 (d) That updates are provided to the medical care advisory  
24 council, behavioral health advisory council, and developmental  
25 disabilities council.

26 (e) That selected Medicaid health plans be allowed to contract  
27 directly with a service provider in an effort to achieve the

1 contract requirements with this state for managing the physical and  
2 behavioral health of Medicaid eligible individuals within the pilot  
3 region. The pilot described in this subsection shall not in any way  
4 mandate an exclusive arrangement between contracted Medicaid health  
5 plans and CMHSPs. Any NCQA function presently maintained by a  
6 contracted Medicaid health plan shall remain the responsibility of  
7 the health plan for the purposes of this pilot regardless of their  
8 contractual arrangements with any CMHSP, and contracts between this  
9 state and the PIHPs shall be amended to allow for relief of CMHSPs  
10 from existing contractual requirements as necessary.

11 (3) It is the intent of the legislature that each pilot  
12 project and demonstration model shall be designed to last at least  
13 3 years.

14 (4) For the duration of any pilot projects and demonstration  
15 models, any and all realized benefits and cost savings of  
16 integrating the physical health and behavioral health systems shall  
17 be reinvested in services and supports for individuals having or at  
18 risk of having a mental illness, an intellectual or developmental  
19 disability, or a substance use disorder. Any and all realized  
20 benefits and cost savings shall be specifically reinvested in the  
21 counties where the savings occurred.

22 (5) It is the intent of the legislature that the primary  
23 purpose of the pilot projects and demonstration models is to test  
24 how the state may better integrate behavioral and physical health  
25 delivery systems in order to improve behavioral and physical health  
26 outcomes, maximize efficiencies, minimize unnecessary costs, and  
27 achieve material increases in behavioral health services without

1 increases in overall Medicaid spending.

2 (6) The department shall continue to partner with 1 of the  
3 state's research universities at least 6 months before the  
4 completion of each pilot project or demonstration model authorized  
5 under this section to evaluate the pilot project or demonstration  
6 model. The evaluation must include all of the following:

7 (a) Information on the pilot project's or demonstration  
8 model's success in meeting the performance metrics developed in  
9 subsection (1) and information on whether the pilot project could  
10 be replicated into other geographic areas with similar performance  
11 metric outcomes.

12 (b) Performance metrics, at a minimum, from each of the  
13 following categories:

14 (i) Improvement of the coordination between behavioral health  
15 and physical health.

16 (ii) Improvement of services available to individuals with  
17 mental illness, intellectual or developmental disabilities, or  
18 substance use disorders.

19 (iii) Benefits associated with full access to community-based  
20 services and supports.

21 (iv) Customer health status.

22 (v) Customer satisfaction.

23 (vi) Provider network stability.

24 (vii) Treatment and service efficacies before and after the  
25 pilot projects and demonstration models.

26 (viii) Use of best practices.

27 (ix) Financial efficiencies.

1 (x) Barriers to clinical data sharing with health plans.

2 (xi) Any other relevant categories.

3 (c) A requirement that the evaluation will be completed within  
4 6 months after the end of the pilot project or demonstration model  
5 and will be provided to the department, the house and senate  
6 appropriations subcommittees on the department budget, the house  
7 and senate fiscal agencies, the house and senate policy offices,  
8 and the state budget office.

9 (7) By November 1 of the current fiscal year, the department  
10 shall report to the house and senate appropriations subcommittees  
11 on the department budget, the house and senate fiscal agencies, the  
12 house and senate policy offices, and the state budget office on the  
13 progress toward implementation of the pilot projects and  
14 demonstration models described in this section, and a summary of  
15 all projects. The report shall also include information on policy  
16 changes and any other efforts made to improve the coordination of  
17 supports and services for individuals having or at risk of having a  
18 mental illness, an intellectual or developmental disability, a  
19 substance use disorder, or a physical health need.

20 (8) Upon completion of any pilot projects or demonstration  
21 models advanced under this section, the managing entity of the  
22 pilot project or demonstration model shall submit a report to the  
23 senate and house appropriations subcommittees on the department  
24 budget, the senate and house fiscal agencies, the senate and house  
25 policy offices, and the state budget office within 30 days of  
26 completion of that pilot project or demonstration model detailing  
27 their experience, lessons learned, efficiencies and savings



1 revealed, increases in investment on behavioral health services,  
2 and recommendations for extending pilot projects to full  
3 implementation or discontinuation.

4       Sec. 299. (1) No state department or agency shall issue a  
5 request for proposal (RFP) for a contract in excess of  
6 \$5,000,000.00, unless the department or agency has first considered  
7 issuing a request for information (RFI) or a request for  
8 qualification (RFQ) relative to that contract to better enable the  
9 department or agency to learn more about the market for the  
10 products or services that are the subject of the RFP. The  
11 department or agency shall notify the department of technology,  
12 management, and budget of the evaluation process used to determine  
13 if an RFI or RFQ was not necessary prior to issuing the RFP.

14       (2) From funds appropriated in part 1, for all RFPs issued  
15 during the current fiscal year where an existing service received  
16 proposals by multiple vendors, the department shall notify all  
17 vendors within 30 days of the RFP decision. The notification to  
18 vendors shall include details on the RFP process, including the  
19 respective RFP scores and the respective cost for each vendor. If  
20 the highest scored RFP or lowest cost RFP does not receive the  
21 contract for an existing service offered by the department, the  
22 notification shall issue an explanation for the reasons that the  
23 highest scored RFP or lowest cost RFP did not receive the contract  
24 and detail the incremental cost target amount or service level  
25 required that was required to migrate the service to a new vendor.  
26 Additionally, the department shall include in the notification  
27 details as to why a cost or service difference is justifiable if

1 the highest scored or lowest cost vendor does not receive the  
2 contract.

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

#### 14 DEPARTMENTAL ADMINISTRATION AND SUPPORT

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

22 (2) Funds distributed under subsection (1) shall be  
23 distributed to Michigan 2-1-1, a nonprofit corporation organized  
24 under the laws of this state that is exempt from federal income tax  
25 under section 501(c)(3) of the internal revenue code of 1986, 26  
26 USC 501, and whose mission is to coordinate and support a statewide

1 2-1-1 system. Michigan 2-1-1 shall use the funds only to fulfill  
2 the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in  
3 January 2005.

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

7 (4) Michigan 2-1-1 shall report annually to the department and  
8 the house and senate standing committees with primary jurisdiction  
9 over matters relating to human services and telecommunications on  
10 2-1-1 system performance, the senate and house appropriations  
11 subcommittees on the department budget, and the senate and house  
12 fiscal agencies, including, but not limited to, call volume by  
13 health and human service needs and unmet needs identified through  
14 caller data and customer satisfaction metrics.

15 Sec. 310. It is the intent of the legislature that the  
16 department shall work with youth-oriented nonprofit organizations  
17 to provide mentoring programming for children of incarcerated  
18 parents and other at-risk children.

19 Sec. 316. From the funds appropriated in part 1 for terminal  
20 leave payments, the department shall not spend in excess of its  
21 annual gross appropriation unless it identifies and requests a  
22 legislative transfer from another budgetary line item supporting  
23 administrative costs, as provided by section 393(2) of the  
24 management and budget act, 1984 PA 431, MCL 18.1393.

25 **CHILD SUPPORT ENFORCEMENT**

26 Sec. 401. (1) The appropriations in part 1 assume a total

1 federal child support incentive payment of \$26,500,000.00.

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

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

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

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

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

21 Sec. 409. (1) If statewide retained child support collections  
22 exceed \$38,300,000.00, 75% of the amount in excess of  
23 \$38,300,000.00 is appropriated to legal support contracts. This  
24 excess appropriation may be distributed to eligible counties to  
25 supplement and not supplant county title IV-D funding.

26 (2) Each county whose retained child support collections in  
27 the current fiscal year exceed its fiscal year 2004-2005 retained

1 child support collections, excluding tax offset and financial  
2 institution data match collections in both the current fiscal year  
3 and fiscal year 2004-2005, shall receive its proportional share of  
4 the 75% excess.

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

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

#### 18 **COMMUNITY SERVICES AND OUTREACH**

19       Sec. 450. (1) From the funds appropriated in part 1 for school  
20 success partnership program, the department shall allocate  
21 \$525,000.00 by December 1 of the current fiscal year to support the  
22 Northeast Michigan Community Service Agency programming, which will  
23 take place in each county in the Governor's Prosperity Region 3.  
24 The department shall require the following performance objectives  
25 be measured and reported for the duration of the state funding for  
26 the school success partnership program:

1 (a) Increasing school attendance and decreasing chronic  
2 absenteeism.

3 (b) Increasing academic performance based on grades with  
4 emphasis on math and reading.

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

7 (d) Increasing parent involvement with the parent's child's  
8 school and community.

9 (2) On a semiannual basis, the Northeast Michigan Community  
10 Service Agency shall provide reports to the department on the  
11 number of children and families served and the services that were  
12 provided to families to meet the performance objectives identified  
13 in this section. The department shall distribute the reports within  
14 1 week after receipt to the senate and house appropriations  
15 subcommittees on the department budget, the senate and house fiscal  
16 agencies, the senate and house policy offices, and the state budget  
17 office.

18 Sec. 452. From the funds appropriated in part 1 for crime  
19 victim justice assistance grants, the department shall continue to  
20 support forensic nurse examiner programs to facilitate training for  
21 improved evidence collection for the prosecution of sexual assault.  
22 The funds shall be used for program coordination and training.

23 Sec. 453. From the funds appropriated in part 1 for homeless  
24 programs, the department shall allocate \$100.00 to increase  
25 emergency shelter program per diem rates to \$20.00 per bed night to  
26 support efforts of shelter providers to move homeless individuals  
27 and households into permanent housing as quickly as possible. The

1 purpose of this enhancement is to increase the number of shelter  
2 discharges to stable housing destinations, decrease recidivism  
3 rates for shelter clients, and reduce the average length of stay in  
4 emergency shelters.

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

9 Sec. 455. As a condition of receipt of federal TANF funds,  
10 homeless shelters and human services agencies shall collaborate  
11 with the department to obtain necessary TANF eligibility  
12 information on families as soon as possible after admitting a  
13 family to the homeless shelter. From the funds appropriated in part  
14 1 for homeless programs, the department is authorized to make  
15 allocations of TANF funds only to the homeless shelters and human  
16 services agencies that report necessary data to the department for  
17 the purpose of meeting TANF eligibility reporting requirements.  
18 Homeless shelters or human services agencies that do not report  
19 necessary data to the department for the purpose of meeting TANF  
20 eligibility reporting requirements will not receive reimbursements  
21 that exceed the per diem amount they received in fiscal year 2000.  
22 The use of TANF funds under this section is not an ongoing  
23 commitment of funding.

24 Sec. 457. (1) From the funds appropriated in part 1 for the  
25 uniform statewide sexual assault evidence kit tracking system, in  
26 accordance with the final report of the Michigan sexual assault  
27 evidence kit tracking and reporting commission, \$800,000.00 is

1 allocated from the sexual assault evidence tracking fund to  
2 contract for development and implementation of the uniform  
3 statewide sexual assault evidence kit tracking system.

4 (2) By March 30 of the current fiscal year, the department  
5 shall submit to the senate and house appropriations subcommittees  
6 on the department budget, the senate and house fiscal agencies, the  
7 senate and house policy offices, and the state budget office a  
8 status report on implementation and operation of the uniform  
9 statewide sexual assault evidence kit tracking system, including  
10 operational status and any known issues regarding implementation.

11 (3) The sexual assault evidence tracking fund established in  
12 section 1451 of 2017 PA 158 shall continue to be maintained in the  
13 department of treasury. Money in the sexual assault evidence  
14 tracking fund at the close of a fiscal year shall remain in the  
15 sexual assault evidence tracking fund and shall not revert to the  
16 general fund and shall be appropriated as provided by law for the  
17 development and implementation of a uniform statewide sexual  
18 assault evidence kit tracking system as described in subsection  
19 (1).

20 (4) By September 30 of the current fiscal year, the department  
21 shall submit to the senate and house appropriations subcommittees  
22 on the department budget, the senate and house fiscal agencies, the  
23 senate and house policy offices, and the state budget office a  
24 report on the findings of the annual audit of the proper submission  
25 of sexual assault evidence kits as required by the sexual assault  
26 kit evidence submission act, 2014 PA 227, MCL 752.931 to 752.935.  
27 The report must include, but is not limited to, a detailed county-



Senate Bill No. 856 as amended May 3, 2018

1 by-county compilation of the number of sexual assault evidence kits  
2 that were properly submitted and the number that met or did not  
3 meet deadlines established in the sexual assault kit evidence  
4 submission act, 2014 PA 227, MCL 752.931 to 752.935, the number of  
5 sexual assault evidence kits retrieved by law enforcement after  
6 analysis, and the physical location of all released sexual assault  
7 evidence kits collected by health care providers in that year, as  
8 of the date of the annual draft report for each reporting agency.

9 (5) As used in this section, "sexual assault evidence tracking  
10 fund" means the sexual assault evidence tracking fund established  
11 in 2017 PA 158.

<<Sec. 460. By October 1 of the current fiscal year, the department  
shall submit to the Michigan department of education the final report  
containing task force recommendations for reducing child sexual abuse in  
this state as required by 2012 PA 593, MCL 722.632b.>>

12 **CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

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

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

24 Sec. 502. From the funds appropriated in part 1 for foster  
25 care, the department shall provide 50% reimbursement to Indian  
26 tribal governments for foster care expenditures for children who

1 are under the jurisdiction of Indian tribal courts and who are not  
2 otherwise eligible for federal foster care cost sharing.

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

10 (2) From the funds appropriated in part 1 for adoption support  
11 services by December 31 of the current fiscal year, the department  
12 shall conduct an actuarial study on rates paid to private child  
13 placing agencies for adoption incentive payments. The actuarial  
14 study shall include a full cost prospective rate payment system and  
15 shall identify and analyze contractual costs paid through the case  
16 rate developed by an independent actuary.

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

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

1 based funding model.

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

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

20 (7) From the funds appropriated in part 1 for the performance-  
21 based funding model pilot, the department shall continue to work  
22 with the West Michigan Partnership for Children Consortium on the  
23 implementation of the performance-based funding model pilot. The  
24 consortium shall accept and comprehensively assess referred youth,  
25 assign cases to members of its continuum or leverage services from  
26 other entities, and make appropriate case management decisions  
27 during the duration of a case. The consortium shall operate an

1 integrated continuum of care structure, with services provided by  
2 both private and public agencies, based on individual case needs.  
3 The consortium shall demonstrate significant organizational  
4 capacity and competencies, including experience with managing risk-  
5 based contracts, financial strength, experienced staff and  
6 leadership, and appropriate governance structure.

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

15       (2) The consortium shall operate an integrated continuum of  
16 care structure, with services provided by private or public  
17 agencies, based on individual case needs.

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

25       Sec. 505. By March 1 of the current fiscal year, the  
26 department shall provide to the senate and house appropriations  
27 subcommittees on the department budget, the senate and house fiscal

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

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

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

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

23       Sec. 511. The department shall provide semiannual reports to  
24 the senate and house appropriations subcommittees on the department  
25 budget, the senate and house standing committees on families and  
26 human services, and the senate and house fiscal agencies and policy  
27 offices on the number and percentage of children who received

1 timely physical and mental health examinations after entry into  
2 foster care.

3 Sec. 512. (1) As required by the settlement, by March 1 of the  
4 current fiscal year, the department shall report to the senate and  
5 house appropriations subcommittees on the department budget, the  
6 senate and house fiscal agencies, the senate and house policy  
7 offices, and the state budget office on the following information  
8 for cases of child abuse or child neglect from the previous fiscal  
9 year:

10 (a) The total number of relative care placements.

11 (b) The total number of relatives with a placement who became  
12 licensed.

13 (c) The number of waivers of foster care licensure granted to  
14 relative care providers.

15 (d) The number of waivers of foster care denied to relative  
16 care providers.

17 (e) A list of the reasons from a sample of cases the  
18 department denied granting a waiver of foster care licensure for a  
19 relative care provider.

20 (f) A list of the reasons from a sample of cases where  
21 relatives were declined foster care licensure as documented by the  
22 department.

23 (2) The caseworker shall request a waiver of foster care  
24 licensure if both of the following apply:

25 (a) The caseworker has fully informed the relative of the  
26 benefits of licensure and the option of a licensure waiver.

27 (b) The caseworker has assessed the relative and the

1 relative's home using the department's initial relative safety  
2 screen and the department's relative home assessment and has  
3 determined that the relative's home is safe and placement there is  
4 in the child's best interest.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

1 during the immediately preceding 12-month period.

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

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

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

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

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

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

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

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

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

23 Sec. 516. (1) From funds appropriated in part 1 for county  
24 child care fund, the administrative or indirect cost payment equal  
25 to 10% of a county's total monthly gross expenditures shall be  
26 distributed to the county on a monthly basis and a county is not  
27 required to submit documentation to the department for any of the

1 expenditures that are covered under the 10% payment as described in  
2 section 117a(4)(b)(ii) and (iv) of the social welfare act, 1939 PA  
3 280, MCL 400.117a.

4 (2) The department shall consider pest control, pest  
5 management, or vermin annihilation expenditures made as a direct  
6 condition related to the licensure of a juvenile detention facility  
7 as a direct expenditure.

8 (3) The department shall not include any expenditures  
9 described under subsection (2) in the determination of the 10%  
10 administrative or indirect cost payment.

11 Sec. 517. The department shall retain the same title IV-E  
12 appeals policy in place as of the fiscal year ending September 30,  
13 2017.

14 Sec. 519. The department shall permit any private agency that  
15 has an existing contract with this state to provide foster care  
16 services to be also eligible to provide treatment foster care  
17 services.

18 Sec. 520. To the extent that the data are available, the  
19 department shall submit a report to the house and senate  
20 appropriations subcommittees on the department budget, the house  
21 and senate fiscal agencies, the house and senate policy offices,  
22 and the state budget office by February 15 of the current fiscal  
23 year on the number of days of care and expenditures by funding  
24 source for the previous fiscal year for out-of-home placements by  
25 specific placement programs for child abuse or child neglect and  
26 juvenile justice, including, but not limited to, paid relative  
27 placement, department direct family foster care, private agency

1 supervised foster care, private child caring institutions, county-  
2 supervised facilities, court-supervised facilities, and independent  
3 living. The report shall also identify days of care for department-  
4 operated residential juvenile justice facilities by security  
5 classification.

6       Sec. 522. (1) From the funds appropriated in part 1 for youth  
7 in transition, the department shall allocate \$750,000.00 for  
8 college scholarships through the fostering futures scholarship  
9 program in the Michigan education trust to youths who were in  
10 foster care because of child abuse or child neglect and are  
11 attending a college located in this state. Of the funds  
12 appropriated, 100% shall be used to fund scholarships for the  
13 youths described in this section.

14       (2) By March 1 of the current fiscal year, the department  
15 shall provide a report to the senate and house appropriations  
16 subcommittees on the department budget, the senate and house fiscal  
17 agencies, the senate and house policy offices, and the state budget  
18 office that includes the number of youths who received scholarships  
19 and the amount of each scholarship, and the total amount of funds  
20 spent or encumbered in the current fiscal year.

21       Sec. 523. (1) By February 15 of the current fiscal year, the  
22 department shall report on the families first, family  
23 reunification, and families together building solutions family  
24 preservation programs to the senate and house appropriations  
25 subcommittees on the department budget, the senate and house fiscal  
26 agencies, the senate and house policy offices, and the state budget  
27 office. The report shall provide an estimate of total costs savings

1 as a result of avoiding placement of children in foster care for  
2 families who received family preservation services and shall  
3 include information for each program on any innovations that may  
4 increase savings or reductions in administrative costs.

5 (2) From the funds appropriated in part 1 for family  
6 preservation programs, \$100.00 is appropriated to increase the  
7 rates for programs with a family preservation delivery model.

8 (3) From the funds appropriated in part 1 for youth in  
9 transition and domestic violence prevention and treatment, the  
10 department is authorized to make allocations of TANF funds only to  
11 agencies that report necessary data to the department for the  
12 purpose of meeting TANF eligibility reporting requirements.

13 Sec. 524. As a condition of receiving funds appropriated in  
14 part 1 for strong families/safe children, counties must submit the  
15 service spending plan to the department by October 1 of the current  
16 fiscal year for approval. The department shall approve the service  
17 spending plan within 30 calendar days after receipt of a properly  
18 completed service spending plan.

19 Sec. 525. The department shall implement the same on-site  
20 evaluation processes for privately operated child welfare and  
21 juvenile justice residential facilities as is used to evaluate  
22 state-operated facilities. Penalties for noncompliance shall be the  
23 same for privately operated child welfare and juvenile justice  
24 residential facilities and state-operated facilities.

25 Sec. 527. For the purposes of calculating adoption worker  
26 caseloads for private child placing agencies, the department shall  
27 exclude the following case types:

1 (a) Cases in which there are multiple applicants as that term  
2 is defined in section 22(e) of chapter X of the probate code of  
3 1939, 1939 PA 288, MCL 710.22, also known as a competing party  
4 case, in which the case has a consent motion pending from  
5 Michigan's children's institute or the court for more than 30 days.

6 (b) Cases in which a birth parent has an order or motion for a  
7 rehearing or an appeal as of right that has been pending for more  
8 than 15 days.

9 Sec. 528. The department shall provide private child placing  
10 agencies, the senate and house appropriations subcommittees on the  
11 department budget, and the senate and house fiscal agencies and  
12 policy offices the federal law, federal rule, or federal rationale  
13 or interpretation that requires fingerprinting of an individual as  
14 a requirement to become both a foster parent and an adoptive  
15 parent.

16 Sec. 531. The department shall notify the house and senate  
17 appropriations subcommittees on the department budget, the house  
18 and senate fiscal agencies, and the house and senate policy offices  
19 of any changes to a child welfare master contract template,  
20 including the adoption master contract template, the independent  
21 living plus master contract template, the child placing agency  
22 foster care master contract template, and the residential foster  
23 care juvenile justice master contract template, not less than 30  
24 days before the change takes effect.

25 Sec. 532. The department, in collaboration with  
26 representatives of private child and family agencies, shall revise  
27 and improve the annual licensing review process and the annual

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

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

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

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

4       Sec. 534. The department shall submit to the senate and house  
5 appropriations subcommittees on the department budget, the senate  
6 and house fiscal agencies, the senate and house policy offices, and  
7 the state budget office by March 1 of the current fiscal year a  
8 report on the adoption subsidies expenditures from the previous  
9 fiscal year. The report shall include, but is not limited to, the  
10 range of annual adoption support subsidy amounts, for both title  
11 IV-E eligible cases and state-funded cases, paid to adoptive  
12 families, the number of title IV-E and state-funded cases, the  
13 number of cases in which the adoption support subsidy request of  
14 adoptive parents for assistance was denied by the department, and  
15 the number of adoptive parents who requested a redetermination of  
16 adoption support subsidy.

17       Sec. 537. (1) The department, in collaboration with child  
18 placing agencies, shall develop a strategy to implement section  
19 1150 of the social welfare act, 1939 PA 280, MCL 400.1150. The  
20 strategy shall include a requirement that a department caseworker  
21 responsible for preparing a recommendation to a court concerning a  
22 juvenile placement shall provide, as part of the recommendation,  
23 information regarding the requirements of section 1150 of the  
24 social welfare act, 1939 PA 280, MCL 400.1150.

25       (2) By March 1 of the current fiscal year, the department  
26 shall provide to the senate and house appropriations subcommittees  
27 on the department budget, the senate and house fiscal agencies, the



1 senate and house policy offices, and the state budget office a  
2 report on the strategy described in subsection (1).

3       Sec. 540. If a physician or psychiatrist who is providing  
4 services to state or court wards placed in a residential facility  
5 submits a formal request to the department to change the  
6 psychotropic medication of a ward, the department shall, if the  
7 ward is a state ward, make a determination on the proposed change  
8 within 7 business days after the request or, if the ward is a  
9 temporary court ward, seek parental consent within 7 business days  
10 after the request. If parental consent is not provided within 7  
11 business days, the department shall petition the court on the  
12 eighth business day.

13       Sec. 546. (1) From the funds appropriated in part 1 for foster  
14 care payments and from child care fund, the department shall pay  
15 providers of general foster care, independent living, and trial  
16 reunification services not less than a \$37.00 administrative rate.

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

25       (3) From the funds appropriated in part 1, the department  
26 shall pay providers of foster care services an additional \$9.20  
27 administrative rate, if section 117a of the social welfare act,

1 1939 PA 280, MCL 400.117a, is amended to eliminate the county match  
2 rate for the additional administrative rate provided in this  
3 subsection. Payments under this subsection shall be made, not less  
4 than, on a monthly basis.

5 (4) If required by the federal government to meet title IV-E  
6 requirements, providers of foster care services shall submit  
7 quarterly reports on expenditures to the department to identify  
8 actual costs of providing foster care services.

9 (5) From the funds appropriated in part 1, the department  
10 shall provide an increase to each private provider of residential  
11 services, if section 117a of the social welfare act, 1939 PA 280,  
12 MCL 400.117a, is amended to eliminate the county match rate for the  
13 additional rate provided in this section.

14 Sec. 547. (1) From the funds appropriated in part 1 for the  
15 guardianship assistance program, the department shall pay a minimum  
16 rate that is not less than the approved age-appropriate payment  
17 rates for youth placed in family foster care.

18 (2) The department shall report quarterly to the state budget  
19 office, the senate and house appropriations subcommittees on the  
20 department budget, the senate and house fiscal agencies, and the  
21 senate and house policy offices on the number of children enrolled  
22 in the guardianship assistance and foster care - children with  
23 serious emotional disturbance waiver programs.

24 Sec. 550. (1) The department shall not offset against  
25 reimbursement payments to counties or seek reimbursement from  
26 counties for charges that were received by the department more than  
27 12 months before the department seeks to offset against

1 reimbursement. A county shall not request reimbursement for and  
2 reimbursement payments shall not be paid for a charge that is more  
3 than 12 months after the date of service or original status  
4 determination when initially submitted by the county.

5 (2) Subsequent to any original funding source determination  
6 made by the department for the status of a youth, the department  
7 shall not seek reimbursement from a county if the funding source  
8 status of a youth has changed.

9 Sec. 551. The department shall respond to counties within 30  
10 days regarding any request for a clarification requested through  
11 the department's child care fund management unit electronic mail  
12 address.

13 Sec. 552. Sixty days after a county's child care fund on-site  
14 review is completed, the department shall provide the results of  
15 the review to the county. The department shall not include a  
16 performance evaluation of a county's child care fund programs in  
17 the review. The department shall not release the results of the  
18 review to a third-party without the permission of the county being  
19 reviewed.

20 Sec. 558. (1) By January 1 of the current fiscal year, the  
21 department shall provide to the senate and house appropriations  
22 subcommittees on the department budget, the senate and house fiscal  
23 agencies, the senate and house policy offices, and the state budget  
24 office a report that identifies the policies, procedures, and other  
25 relevant issues related to the modernization of the child welfare  
26 training program.

27 (2) The department shall maintain the \$6,000.00 payment, in

1 effect as of September 30, 2017, made to private child placing  
2 agencies upon the completion of the child welfare caseworker  
3 training.

4       Sec. 559. (1) From the funds appropriated in part 1 for  
5 adoption support services, the department shall allocate  
6 \$250,000.00 to the Adoptive Family Support Network by December 1 of  
7 the current fiscal year to operate and expand its adoptive parent  
8 mentor program to provide a listening ear, knowledgeable guidance,  
9 and community connections to adoptive parents and children who were  
10 adopted in this state or another state.

11       (2) The Adoptive Family Support Network shall submit to the  
12 senate and house appropriations subcommittees on the department  
13 budget, the senate and house fiscal agencies, the senate and house  
14 policy offices, and the state budget office by March 1 of the  
15 current fiscal year a report on the program described in subsection  
16 (1), including, but not limited to, the number of cases served and  
17 the number of cases in which the program prevented an out-of-home  
18 placement.

19       Sec. 562. The department shall provide time and travel  
20 reimbursements for foster parents who transport a foster child to  
21 parent-child visitations. As part of the foster care parent  
22 contract, the department shall provide written confirmation to  
23 foster parents that states that the foster parents have the right  
24 to request these reimbursements for all parent-child visitations.  
25 The department shall provide these reimbursements within 60 days of  
26 receiving a request for eligible reimbursements from a foster  
27 parent.

1           Sec. 564. (1) The department shall develop a clear policy for  
2 parent-child visitations. The local county offices, caseworkers,  
3 and supervisors shall meet an 85% success rate, after accounting  
4 for factors outside of the caseworkers' control.

5           (2) Per the court-ordered number of required meetings between  
6 caseworkers and a parent, the caseworkers shall achieve a success  
7 rate of 85%, after accounting for factors outside of the  
8 caseworkers' control.

9           (3) By March 1 of the current fiscal year, the department  
10 shall provide to the senate and house appropriations subcommittees  
11 on the department budget, the senate and house fiscal agencies, the  
12 senate and house policy offices, and the state budget office a  
13 report on the following:

14           (a) The percentage of success rate for parent-child  
15 visitations and court-ordered required meetings between caseworkers  
16 referenced in subsections (1) and (2) for the previous year.

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

19           Sec. 567. The department shall submit to the senate and house  
20 appropriations subcommittees on the department budget, the senate  
21 and house fiscal agencies, the senate and house policy offices, and  
22 the state budget office by March 1 of the current fiscal year a  
23 report on transfer of medical passports for children in foster  
24 care, including the following:

25           (a) The percentage of medical passports that were properly  
26 filled out.

27           (b) From the total medical passports transferred, the

1 percentage that transferred within 2 weeks from the date of  
2 placement or return to the home.

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

6 (d) The implementation steps that have been taken to improve  
7 the outcomes for the measures in subdivision (b).

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

13 Sec. 573. (1) The department may pay providers of foster care  
14 services a per diem daily administrative rate for every case on a  
15 caseworker's caseload for the duration of a case from referral  
16 acceptance to the discharge of wardship.

17 (2) The department shall participate in a workgroup to  
18 determine an equitable and fair method to compensate private child  
19 placing agencies for case management and services provided to  
20 children for which private child placing agencies are not paid an  
21 administrative rate. The members of the workgroup shall include,  
22 but not be limited to, the department, representatives from the  
23 Michigan Federation for Children and Families, representatives from  
24 the Association of Accredited Child and Family Agencies,  
25 representatives from contracted private child placing agencies, and  
26 members of the senate and the house of representatives. The  
27 workgroup shall, at a minimum, address the following possibilities

1 and make recommendations to the department on the implementation of  
2 any of the following items that the workgroup considers feasible:

3 (a) Whether the department and other stakeholders can obtain a  
4 consensus agreement on the definition of an unpaid foster care  
5 case.

6 (b) Whether the department's current compensation is suitable  
7 for private child placing agencies for the case management of a  
8 child who, as described by department policy as of September 30 of  
9 the previous fiscal year, is not in foster care and for whom the  
10 private child placing agency does not receive an administrative  
11 rate, but, as of September 30 of the previous fiscal year, who was  
12 factored into the calculation of caseloads for a foster care worker  
13 as described by the settlement.

14 (c) Whether an indirect or administrative payment is feasible  
15 to compensate private child placing agencies for the case  
16 management of a child who, as described by department policy as of  
17 September 30 of the previous fiscal year, is not in foster care and  
18 does not receive an administrative rate, but, as of September 30 of  
19 the previous fiscal year, who was factored into the calculation of  
20 caseloads for a foster care worker as described by the settlement.

21 (3) As of October 1 of the current fiscal year and until the  
22 recommendations of the workgroup described in subsection (2) are  
23 implemented, it shall be the policy of the department that for  
24 purposes of calculating the regular, ongoing caseloads for cases  
25 assigned to private child placing agency foster care workers as  
26 described in the settlement, the department shall exclude the  
27 following case types:

1 (a) Cases in which there has been placement with the  
2 respondent or adjudicated parent and siblings in foster care.

3 (b) Cases in which there has been placement with a  
4 nonoffending parent and siblings in foster care with court  
5 jurisdiction.

6 (c) Cases in which there has been placement in a residential  
7 treatment facility or a child caring institution.

8 (d) Cases in which family responsibility has been assigned to  
9 the contractor, but children in the home are not considered be a  
10 foster care case per department policy as of September 30 of the  
11 previous fiscal year.

12 (e) Cases in which a trial reunification period has been in  
13 effect for more than 180 days.

14 Sec. 574. (1) From the funds appropriated in part 1 for foster  
15 care payments, \$3,500,000.00 is allocated to support performance-  
16 based contracts with child placing agencies to facilitate the  
17 licensure of relative caregivers as foster parents. Agencies shall  
18 receive \$4,500.00 for each facilitated licensure if completed  
19 within 180 days after case acceptance, or, if a waiver was  
20 previously approved, 180 days from the referral date. If the  
21 facilitated licensure, or approved waiver, is completed after 180  
22 days, the agency shall receive up to \$3,500.00. The agency  
23 facilitating the licensure would retain the placement and continue  
24 to provide case management services for the newly licensed cases  
25 for which the placement was appropriate to the agency.

26 (2) From the funds appropriated for foster care payments,  
27 \$375,000.00 is allocated to support family incentive grants to



1 private and community-based foster care service providers to assist  
2 with home improvements or payment for physical exams for applicants  
3 needed by foster families to accommodate foster children.

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

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

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

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

20 Sec. 588. Concurrently with public release, the department  
21 shall transmit all reports from the court-appointed settlement  
22 monitor, including, but not limited to, the needs assessment and  
23 period outcome reporting, to the state budget office, the senate  
24 and house appropriations subcommittees on the department budget,  
25 and the senate and house fiscal agencies and policy offices,  
26 without revision.

27 Sec. 589. (1) From the funds appropriated in part 1 for child

1 care fund, the department shall pay 100% of the administrative rate  
2 for all new cases referred to providers of foster care services.

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

6 Sec. 590. From funds appropriated in part 1 for youth in  
7 transition, \$280,000.00 shall be awarded to a charter high school  
8 for students ages 16 to 22 who have previously dropped out or are  
9 at risk of not graduating on time operating in a county with a  
10 population of greater than 172,000 but less than 175,000 according  
11 to the most recent federal decennial census. It is the intent of  
12 the legislature that this is the second year out of 3 years that  
13 funding is to be provided by the legislature for the charter high  
14 school described in this section.

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

18 Sec. 594. From the funds appropriated in part 1 for foster  
19 care payments, the department shall support regional resource teams  
20 to provide for the recruitment, retention, and training of foster  
21 and adoptive parents and shall expand the Michigan youth  
22 opportunities initiative to all Michigan counties. The purpose of  
23 this funding is to increase the number of annual inquiries from  
24 prospective foster parents, increase the number of nonrelative  
25 foster homes that achieve licensure each year, increase the annual  
26 retention rate of nonrelative foster homes, reduce the number of  
27 older foster youth placed outside of family settings, and provide

1 older youth with enhanced support in transitioning to adulthood.

2 **PUBLIC ASSISTANCE**

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

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

15       Sec. 604. (1) The department shall operate a state disability  
16 assistance program. Except as provided in subsection (3), persons  
17 eligible for this program shall include needy citizens of the  
18 United States or aliens exempted from the supplemental security  
19 income citizenship requirement who are at least 18 years of age or  
20 emancipated minors meeting 1 or more of the following requirements:

21       (a) A recipient of supplemental security income, social  
22 security, or medical assistance due to disability or 65 years of  
23 age or older.

24       (b) A person with a physical or mental impairment that meets  
25 federal supplemental security income disability standards, except  
26 that the minimum duration of the disability shall be 90 days.

1 Substance use disorder alone is not defined as a basis for  
2 eligibility.

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

6 (d) A person receiving 30-day postresidential substance use  
7 disorder treatment.

8 (e) A person diagnosed as having acquired immunodeficiency  
9 syndrome.

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

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

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

16 (a) Meet the same asset test as is applied for the family  
17 independence program.

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

20 (3) Except for a person described in subsection (1)(c) or (d),  
21 a person is not disabled for purposes of this section if his or her  
22 drug addiction or alcoholism is a contributing factor material to  
23 the determination of disability. "Material to the determination of  
24 disability" means that, if the person stopped using drugs or  
25 alcohol, his or her remaining physical or mental limitations would  
26 not be disabling. If his or her remaining physical or mental  
27 limitations would be disabling, then the drug addiction or

1 alcoholism is not material to the determination of disability and  
2 the person may receive state disability assistance. Such a person  
3 must actively participate in a substance abuse treatment program,  
4 and the assistance must be paid to a third party or through vendor  
5 payments. For purposes of this section, substance abuse treatment  
6 includes receipt of inpatient or outpatient services or  
7 participation in alcoholics anonymous or a similar program.

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

12       Sec. 606. County department offices shall require each  
13 recipient of family independence program and state disability  
14 assistance who has applied with the social security administration  
15 for supplemental security income to sign a contract to repay any  
16 assistance rendered through the family independence program or  
17 state disability assistance program upon receipt of retroactive  
18 supplemental security income benefits.

19       Sec. 607. (1) The department's ability to satisfy  
20 appropriation deductions in part 1 for state disability  
21 assistance/supplemental security income recoveries and public  
22 assistance recoupment revenues shall not be limited to recoveries  
23 and accruals pertaining to state disability assistance, or family  
24 independence assistance grant payments provided only in the current  
25 fiscal year, but may include revenues collected during the current  
26 year that are prior year related and not a part of the department's  
27 accrued entries.

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

5           Sec. 608. Adult foster care facilities providing domiciliary  
6 care or personal care to residents receiving supplemental security  
7 income or homes for the aged serving residents receiving  
8 supplemental security income shall not require those residents to  
9 reimburse the home or facility for care at rates in excess of those  
10 legislatively authorized. To the extent permitted by federal law,  
11 adult foster care facilities and homes for the aged serving  
12 residents receiving supplemental security income shall not be  
13 prohibited from accepting third-party payments in addition to  
14 supplemental security income if the payments are not for food,  
15 clothing, shelter, or result in a reduction in the recipient's  
16 supplemental security income payment.

17           Sec. 609. The state supplementation level under the  
18 supplemental security income program for the personal care/adult  
19 foster care and home for the aged categories shall not be reduced  
20 during the current fiscal year. The legislature shall be notified  
21 not less than 30 days before any proposed reduction in the state  
22 supplementation level.

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

27           (2) For purposes of determining housing affordability

1 eligibility for state emergency relief, a group is considered to  
2 have sufficient income to meet ongoing housing expenses if their  
3 total housing obligation does not exceed 75% of their total net  
4 income.

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

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

11 (5) State emergency relief payments for rent assistance shall  
12 be distributed directly to landlords and shall not be added to  
13 Michigan bridge cards.

14 Sec. 611. The state supplementation level under the  
15 supplemental security income program for the living independently  
16 or living in the household of another categories shall not exceed  
17 the minimum state supplementation level as required under federal  
18 law or regulations.

19 Sec. 613. (1) The department shall provide reimbursements for  
20 the final disposition of indigent persons. The reimbursements shall  
21 include the following:

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

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

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

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

27 (2) Reimbursement for a cremation permit fee of up to \$75.00

1 and for mileage at the standard rate will be made available for an  
2 eligible cremation. The reimbursements under this section shall  
3 take into consideration religious preferences that prohibit  
4 cremation.

5       Sec. 614. The department shall report to the senate and house  
6 of representatives appropriations subcommittees on the department  
7 budget, the senate and house fiscal agencies, and the senate and  
8 house policy offices by January 15 of the current fiscal year on  
9 the number and percentage of state disability assistance recipients  
10 who were determined to be eligible for federal supplemental  
11 security income benefits in the previous fiscal year.

12       Sec. 615. Except as required by federal law or regulations,  
13 funds appropriated in part 1 shall not be used to provide public  
14 assistance to a person who is an illegal alien. This section shall  
15 not prohibit the department from entering into contracts with food  
16 banks, emergency shelter providers, or other human services  
17 agencies who may, as a normal part of doing business, provide food  
18 or emergency shelter.

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

23       Sec. 618. By March 1 of the current fiscal year, the  
24 department shall report to the senate and house appropriations  
25 subcommittees on the department budget, the senate and house fiscal  
26 agencies, the senate and house policy offices, and the state budget  
27 office the quarterly number of supervised individuals who have



1 absconded from supervision and whom a law enforcement agency, the  
2 department of corrections, or the department is actively seeking  
3 according to section 84 of the corrections code of 1953, 1953 PA  
4 232, MCL 791.284.

5       Sec. 619. (1) Subject to subsection (2), the department shall  
6 not deny title IV-A assistance and food assistance benefits under  
7 21 USC 862a to any individual who has been convicted of a single  
8 felony that included the possession, use, or distribution of a  
9 controlled substance, for which the act resulting in the conviction  
10 occurred after August 22, 1996, if the individual is not in  
11 violation of his or her probation or parole requirements. Benefits  
12 shall be provided to such an individual, if the individual is the  
13 grantee (head of household), as follows:

14       (a) Family independence program benefits must be paid in the  
15 form of restricted payments if the grantee has been convicted, for  
16 conduct occurring after August 22, 1996, of a felony for the use,  
17 possession, or distribution of a controlled substance.

18       (b) An authorized representative shall be required for food  
19 assistance receipt. If the individual with the conviction is not  
20 the grantee, the food assistance shall be provided to the grantee.

21       (2) Subject to federal approval, an individual is not entitled  
22 to the exemption in this section if the individual was convicted of  
23 2 or more separate felony acts that included the possession, use,  
24 or distribution of a controlled substance and both acts occurred  
25 after August 22, 1996.

26       Sec. 620. (1) The department shall make a determination of  
27 Medicaid eligibility not later than 90 days if disability is an

1 eligibility factor. For all other Medicaid applicants, including  
2 patients of a nursing home, the department shall make a  
3 determination of Medicaid eligibility within 45 days of  
4 application.

5 (2) The department shall provide quarterly reports to the  
6 senate and house appropriations subcommittees on the department  
7 budget, the senate and house standing committees on families and  
8 human services, the senate and house fiscal agencies, the senate  
9 and house policy offices, and the state budget office on the  
10 average Medicaid eligibility standard of promptness for each of the  
11 required standards of promptness under subsection (1) and for  
12 medical review team reviews achieved statewide and at each local  
13 office.

14 Sec. 625. From the funds appropriated in part 1 for SSI  
15 advocacy legal services grant, the department shall distribute  
16 \$250,000.00 on October 1 of the current fiscal year and \$250,000.00  
17 on April 1 of the current fiscal year as a grant to the Legal  
18 Services Association of Michigan (LSAM). The purpose of the grant  
19 is to assist current or potential recipients of state disability  
20 assistance who have applied for or wish to apply for SSI or other  
21 federal disability benefits. LSAM shall provide a list of new  
22 recipients to the department to verify services provided to  
23 department referrals. The department shall distribute informational  
24 materials or literature provided by LSAM to clients who have been  
25 referred to LSAM for assistance under this section. LSAM and the  
26 department shall develop release forms to share information in  
27 appropriate cases. LSAM shall provide quarterly reports indicating

1 cases opened, cases closed, level of services provided on closed  
2 cases, and case outcomes on closed cases.

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

9 Sec. 650. An individual who is an able-bodied adult without  
10 dependents is subject to the time-limited food assistance and work  
11 requirement provisions of 7 CFR 273.24(a) to (d) regardless of the  
12 individual's county of residence, redetermination date, or federal  
13 waiver status effective October 1, 2018.

14 Sec. 653. From the funds appropriated in part 1 for food  
15 assistance, an individual who is the victim of domestic violence  
16 and does not qualify for any other exemption may be exempt from the  
17 3-month in 36-month limit on receiving food assistance under 7 USC  
18 2015. This exemption can be extended an additional 3 months upon  
19 demonstration of continuing need.

20 Sec. 654. The department shall notify recipients of food  
21 assistance program benefits that their benefits can be spent with  
22 their bridge cards at many farmers' markets in the state. The  
23 department shall also notify recipients about the Double Up Food  
24 Bucks program that is administered by the Fair Food Network.  
25 Recipients shall receive information about the Double Up Food Bucks  
26 program, including information that when the recipient spends  
27 \$20.00 at participating farmers' markets through the program, the

1 recipient can receive an additional \$20.00 to buy Michigan produce.

2       Sec. 655. Within 14 days after the spending plan for low-  
3 income home energy assistance program is approved by the state  
4 budget office, the department shall provide the spending plan,  
5 including itemized projected expenditures, to the chairpersons of  
6 the senate and house appropriations subcommittees on the department  
7 budget, the senate and house fiscal agencies, the senate and house  
8 policy offices, and the state budget office.

9       Sec. 660. From the funds appropriated in part 1 for Food Bank  
10 Council of Michigan, the department is authorized to make  
11 allocations of TANF funds only to the agencies that report  
12 necessary data to the department for the purpose of meeting TANF  
13 eligibility reporting requirements. The agencies that do not report  
14 necessary data to the department for the purpose of meeting TANF  
15 eligibility reporting requirements will not receive allocations in  
16 excess of those received in fiscal year 2000. The use of TANF funds  
17 under this section is not an ongoing commitment of funding.

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

21       Sec. 672. (1) The department's office of inspector general  
22 shall report to the senate and house of representatives  
23 appropriations subcommittees on the department budget, the senate  
24 and house fiscal agencies, and the senate and house policy offices  
25 by February 15 of the current fiscal year on department efforts to  
26 reduce inappropriate use of Michigan bridge cards. The department  
27 shall provide information on the number of recipients of services

1 who used their electronic benefit transfer card inappropriately and  
2 the current status of each case, the number of recipients whose  
3 benefits were revoked, whether permanently or temporarily, as a  
4 result of inappropriate use, and the number of retailers that were  
5 fined or removed from the electronic benefit transfer program for  
6 permitting inappropriate use of the cards. The report shall  
7 distinguish between savings and cost avoidance. Savings include  
8 receivables established from instances of fraud committed. Cost  
9 avoidance includes expenditures avoided due to front-end  
10 eligibility investigations and other preemptive actions undertaken  
11 in the prevention of fraud.

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

15 (3) As used in this section, "inappropriate use" means not  
16 used to meet a family's ongoing basic needs, including food,  
17 clothing, shelter, utilities, household goods, personal care items,  
18 and general incidentals.

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

24 (2) The department shall provide quarterly reports to the  
25 senate and house appropriations subcommittees on the department  
26 budget, the senate and house fiscal agencies and policy offices,  
27 and the state budget director on the number of cases referred to

1 Partnership. Accountability. Training. Hope. (PATH), the current  
2 percentage of family independence program cases involved in PATH  
3 employment activities, an estimate of the current percentage of  
4 family independence program cases that meet federal work  
5 participation requirements on the whole, and an estimate of the  
6 current percentage of the family independence program cases that  
7 meet federal work participation requirements for those cases  
8 referred to PATH.

9 (3) The department shall submit to the senate and house  
10 appropriations subcommittees on the department budget, the senate  
11 and house fiscal agencies, the senate and house policy offices, and  
12 the state budget office quarterly reports that include all of the  
13 following:

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

16 (b) The average and range of wages of employed family  
17 independence program recipients.

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

20 Sec. 686. (1) The department shall ensure that program policy  
21 requires caseworkers to confirm that individuals presenting  
22 personal identification issued by another state seeking assistance  
23 through the family independence program, food assistance program,  
24 state disability assistance program, or medical assistance program  
25 are not receiving benefits from any other state.

26 (2) The department shall require caseworkers to confirm the  
27 address provided by any individual seeking family independence

1 program benefits or state disability assistance benefits.

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

6 (4) The department shall require caseworkers to obtain an up-  
7 to-date telephone number during the eligibility determination or  
8 redetermination process for individuals seeking medical assistance  
9 benefits.

10 Sec. 687. (1) The department shall, in quarterly reports,  
11 compile and make available on its website all of the following  
12 information about the family independence program, state disability  
13 assistance, the food assistance program, Medicaid, and state  
14 emergency relief:

15 (a) The number of applications received.

16 (b) The number of applications approved.

17 (c) The number of applications denied.

18 (d) The number of applications pending and neither approved  
19 nor denied.

20 (e) The number of cases opened.

21 (f) The number of cases closed.

22 (g) The number of cases at the beginning of the quarter and  
23 the number of cases at the end of the quarter.

24 (2) The information provided under subsection (1) shall be  
25 compiled and made available for the state as a whole and for each  
26 county and reported separately for each program listed in  
27 subsection (1).

1 (3) The department shall, in quarterly reports, compile and  
2 make available on its website the family independence program  
3 information listed as follows:

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

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

8 (c) The number of cases sanctioned because of the school  
9 truancy policy.

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

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

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

15 Sec. 688. From the funds appropriated in part 1 for the low-  
16 income home energy assistance program, an additional \$20.01 payment  
17 to food assistance program cases that are not currently eligible  
18 for the standard utility allowance to enable these cases to receive  
19 expanded food assistance benefits through the program commonly  
20 known as the heat and eat program.

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

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



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

7           Sec. 707. In order to be reimbursed for child care fund  
8 expenditures, counties are required to submit department-developed  
9 reports to enable the department to document potential federally  
10 claimable expenditures. This requirement is in accordance with the  
11 reporting requirements specified in section 117a(11) of the social  
12 welfare act, 1939 PA 280, MCL 400.117a.

13           Sec. 708. (1) As a condition of receiving funds appropriated  
14 in part 1 for the child care fund line item, by October 15 of the  
15 current fiscal year, counties shall have an approved service  
16 spending plan for the current fiscal year. Counties must submit the  
17 service spending plan for the current fiscal year to the department  
18 by August 15 of the previous fiscal year for approval. Upon  
19 submission of the county service spending plan, the department  
20 shall approve within 30 calendar days after receipt of a properly  
21 completed service plan that complies with the requirements of the  
22 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The  
23 department shall notify and submit county service spending plan  
24 revisions to any county whose county service spending plan is not  
25 accepted upon initial submission. The department shall not request  
26 any additional revisions to a county service spending plan outside  
27 of the requested revision notification submitted to the county by

1 the department. The department shall notify a county within 30 days  
2 after approval that its service plan was approved.

3 (2) The department shall submit a report to the house and  
4 senate appropriations subcommittees on the department budget, the  
5 house and senate fiscal agencies, the house and senate policy  
6 offices, and the state budget office by February 15 of the current  
7 fiscal year on the number of counties that fail to submit a service  
8 spending plan by August 15 of the previous fiscal year and the  
9 number of service spending plans not approved by October 15. The  
10 report shall include the number of county service spending plans  
11 that were not approved as first submitted by the counties, as well  
12 as the number of plans that were not approved by the department  
13 after being resubmitted by the county with the first revisions that  
14 were requested by the department.

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

26 Sec. 721. If the demand for placements at state-operated  
27 juvenile justice residential facilities exceeds capacity, the

1 department shall not increase the available occupancy or services  
2 at the facilities, and shall post a request for proposals for a  
3 contract with not less than 1 private provider of residential  
4 services for juvenile justice youth to be a residential facility of  
5 last resort.

6 **FIELD OPERATIONS AND SUPPORT SERVICES**

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

1 and referral services, education, youth transition services,  
2 veterans, and stigma reduction activities and community education.  
3 This includes the independent living guide project that  
4 specifically focuses on economic self-sufficiency.

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

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

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

22 (a) Reductions and changes in administration costs and  
23 staffing.

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

25 (c) Reorganization plans and implementation steps achieved.

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

1 (e) Quarterly expenditures by major spending category.

2 (f) Employment and job retention rates from both Michigan  
3 rehabilitation services and its nonprofit partners.

4 (g) Success rate of each district in achieving the program  
5 goals.

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

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

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

27 Sec. 806. From the funds appropriated in part 1 for Michigan

1 rehabilitation services, the department shall allocate  
2 \$6,100,300.00, including federal matching funds, to service  
3 authorizations with community-based rehabilitation organizations  
4 for an array of needed services throughout the rehabilitation  
5 process.

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

17       Sec. 808. By March 1 of the current fiscal year, the  
18 department shall provide a report to the senate and house  
19 appropriations subcommittees on the department budget, the senate  
20 and house fiscal agencies, the senate and house policy offices, and  
21 the state budget office on the nutrition education program. The  
22 report shall include planned allocation and actual expenditures for  
23 the supplemental nutrition assistance program education funding,  
24 planned and actual grant amounts for the supplemental nutrition  
25 assistance program education funding, the total amount of expected  
26 carryforward balance at the end of the current fiscal year for the  
27 supplemental nutrition assistance program education funding, a list

1 of all supplemental nutrition assistance program education funding  
2 programs by implementing agency, and the stated purpose of each  
3 program.

4       Sec. 809. (1) The purpose of the pathways to potential program  
5 is to reduce chronic absenteeism by 20%, decrease the number of  
6 students who repeat grades by 15%, decrease the rate of dropouts by  
7 10%, and increase graduation by 20% for schools that are current  
8 participants in the pathways to potential program and to reduce  
9 chronic absenteeism by 25%, decrease the number of students who  
10 repeat grades by 20%, decrease the rate of dropouts by 15%, and  
11 increase graduation by 25% for schools that are new participants in  
12 the pathways to potential program. The funding priority for the  
13 pathways to potential program shall be based on schools achieving  
14 successful outcomes on the above measurements.

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

21       (3) From the funds appropriated in part 1 for public  
22 assistance field staff intended for the pathways to potential  
23 program, the department shall allocate \$60,000.00 to the Early  
24 Neighborhood Learning Collaborative to improve the attendance and  
25 retention of students enrolled in an early neighborhood learning  
26 collaborative great start readiness program approved classroom. It  
27 is the intent of the legislature that these funds shall be

1 allocated on a one-time basis only.

2       Sec. 825. From the funds appropriated in part 1, the  
3 department shall provide individuals not more than \$500.00 for  
4 vehicle repairs, including any repairs done in the previous 12  
5 months. However, the department may in its discretion pay for  
6 repairs up to \$900.00. Payments under this section shall include  
7 the combined total of payments made by the department and work  
8 participation program.

9       Sec. 850. (1) The department shall maintain out-stationed  
10 eligibility specialists in community-based organizations, community  
11 mental health agencies, nursing homes, adult placement and  
12 independent living settings, federally qualified health centers,  
13 and hospitals unless a community-based organization, community  
14 mental health agency, nursing home, adult placement and independent  
15 living setting, federally qualified health centers, or hospital  
16 requests that the program be discontinued at its facility.

17       (2) From the funds appropriated in part 1 for donated funds  
18 positions, the department shall enter into contracts with agencies  
19 that are able and eligible under federal law to provide the  
20 required matching funds for federal funding, as determined by  
21 federal statute and regulations.

22       (3) A contract for an assistance payments donated funds  
23 position must include, but not be limited to, the following  
24 performance metrics:

25       (a) Meeting a standard of promptness for processing  
26 applications for Medicaid and other public assistance programs  
27 under state law.



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

3 (4) The department shall only fill additional donated funds  
4 positions after a new contract has been signed. That position shall  
5 also be abolished when the contract expires or is terminated.

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

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

18 Sec. 851. From the funds appropriated in part 1 for adult  
19 services field staff, the department shall improve staffing ratios  
20 in adult protective services programs with the goal of reducing the  
21 number of older adults who are victims of crime and fraud. The  
22 purpose of the staffing enhancement is to increase the standard of  
23 promptness in every county, as measured by commencing an  
24 investigation within 24 hours, establishing face-to-face contact  
25 with the client within 72 hours, and completing the investigation  
26 within 30 days.

1 **DISABILITY DETERMINATION SERVICES**

2           Sec. 890. The department shall submit to the senate and house  
3 appropriations subcommittees on the department budget, the senate  
4 and house fiscal agencies, the senate and house policy offices, and  
5 the state budget office by March 1 of the current fiscal year a  
6 report on the rates paid to independent contractors who are  
7 employed by the department to make disability determinations. The  
8 report shall include, but is not limited to, the following:

9           (a) The rate history over 10 years for each of the following  
10 provider types: physician, psychologist, and speech pathologist  
11 services.

12           (b) The number of providers by regional location over a 10-  
13 year history.

14           (c) The average length a case is open over a 5-year period.

15           (d) How provider rates paid to disability determination  
16 independent contractors compare to Illinois, Indiana, Minnesota,  
17 Ohio, and Wisconsin.

18           (e) The federal matching requirements for any prospective rate  
19 increase.

20 **BEHAVIORAL HEALTH SERVICES**

21           Sec. 901. Except for the pilot projects and demonstration  
22 models described in section 298 of this part, the funds  
23 appropriated in part 1 are intended to support a system of  
24 comprehensive community mental health services under the full  
25 authority and responsibility of local CMHSPs or PIHPs in accordance  
26 with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106,

1 the Medicaid provider manual, federal Medicaid waivers, and all  
2 other applicable federal and state laws.

3       Sec. 902. (1) Except for the pilot projects and demonstration  
4 models described in section 298 of this part, from the funds  
5 appropriated in part 1, final authorizations to CMHSPs or PIHPs  
6 shall be made upon the execution of contracts between the  
7 department and CMHSPs or PIHPs. The contracts shall contain an  
8 approved plan and budget as well as policies and procedures  
9 governing the obligations and responsibilities of both parties to  
10 the contracts. Each contract with a CMHSP or PIHP that the  
11 department is authorized to enter into under this subsection shall  
12 include a provision that the contract is not valid unless the total  
13 dollar obligation for all of the contracts between the department  
14 and the CMHSPs or PIHPs entered into under this subsection for the  
15 current fiscal year does not exceed the amount of money  
16 appropriated in part 1 for the contracts authorized under this  
17 subsection.

18       (2) The department shall immediately report to the senate and  
19 house appropriations subcommittees on the department budget, the  
20 senate and house fiscal agencies, and the state budget director if  
21 either of the following occurs:

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

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

26       (3) The report required by subsection (2) shall include  
27 information about the changes and their effects on rates and

1 expenditures.

2       Sec. 904. (1) By May 31 of the current fiscal year, the  
3 department shall provide a report on the CMHSPs, PIHPs, regional  
4 entities designated by the department as PIHPs, and managing  
5 entities for substance use disorders to the members of the house  
6 and senate appropriations subcommittees on the department budget,  
7 the house and senate fiscal agencies, and the state budget director  
8 that includes the information required by this section.

9       (2) The report shall contain information for each CMHSP, PIHP,  
10 regional entity designated by the department as a PIHP, and  
11 managing entity for substance use disorders and a statewide  
12 summary, each of which shall include at least the following  
13 information:

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

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

20       (c) Financial information that, minimally, includes a  
21 description of funding authorized; expenditures by diagnosis group,  
22 service category, and reimbursement eligibility; and cost  
23 information by Medicaid, Healthy Michigan plan, state appropriated  
24 non-Medicaid mental health services, local funding, and other fund  
25 sources, including administration and funds specified for all  
26 outside contracts for services and products. Financial information  
27 must include the amount of funding, from each fund source, used to

1 cover clinical services and supports. Service category includes all  
2 department-approved services.

3 (d) Data describing service outcomes that include, but are not  
4 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 CMHSPs that includes, but is  
8 not limited to, the following:

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

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

12 (f) The number of second opinions requested under the mental  
13 health code, 1974 PA 258, MCL 330.1001 to 330.2106, and the  
14 determination of any appeals.

15 (g) Lapses and carryforwards during the immediately preceding  
16 fiscal year for CMHSPs, PIHPs, regional entities designated by the  
17 department as PIHPs, and managing entities for substance use  
18 disorders.

19 (h) Performance indicator information required to be submitted  
20 to the department in the contracts with CMHSPs, PIHPs, regional  
21 entities designated by the department as PIHPs, and managing  
22 entities for substance use disorders.

23 (i) Administrative expenditures of each CMHSP, PIHP, regional  
24 entity designated by the department as a PIHP, and managing entity  
25 for substance use disorders that includes a breakout of the salary,  
26 benefits, and pension of each executive level staff and shall  
27 include the director, chief executive, and chief operating officers

1 and other members identified as executive staff.

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

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

11 Sec. 905. (1) From the funds appropriated in part 1 for  
12 behavioral health program administration, the department shall  
13 maintain a psychiatric transitional unit and children's behavioral  
14 action team. These services will augment the continuum of  
15 behavioral health services for high-need youth and provide  
16 additional continuity of care and transition into supportive  
17 community-based services.

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

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

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

24 Sec. 906. (1) The funds appropriated in part 1 for the state  
25 disability assistance substance use disorder services program shall  
26 be used to support per diem room and board payments in substance  
27 use disorder residential facilities. Eligibility of clients for the

1 state disability assistance substance use disorder services program  
2 shall include needy persons 18 years of age or older, or  
3 emancipated minors, who reside in a substance use disorder  
4 treatment center.

5 (2) The department shall reimburse all licensed substance use  
6 disorder programs eligible to participate in the program at a rate  
7 equivalent to that paid by the department to adult foster care  
8 providers. Programs accredited by department-approved accrediting  
9 organizations shall be reimbursed at the personal care rate, while  
10 all other eligible programs shall be reimbursed at the domiciliary  
11 care rate.

12 Sec. 907. (1) The amount appropriated in part 1 for community  
13 substance use disorder prevention, education, and treatment shall  
14 be expended to coordinate care and services provided to individuals  
15 with severe and persistent mental illness and substance use  
16 disorder diagnoses.

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

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

24 Sec. 908. (1) By April 1 of the current fiscal year, the  
25 department shall report the following data from the prior fiscal  
26 year on substance use disorder prevention, education, and treatment  
27 programs to the senate and house appropriations subcommittees on

1 the department budget, the senate and house fiscal agencies, and  
2 the state budget office:

3 (a) Expenditures stratified by department-designated community  
4 mental health entity, by central diagnosis and referral agency, by  
5 fund source, by subcontractor, by population served, and by service  
6 type. Additionally, data on administrative expenditures by  
7 department-designated community mental health entity shall be  
8 reported.

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

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

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

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

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

22 Sec. 909. From the funds appropriated in part 1 for community  
23 substance use disorder prevention, education, and treatment, the  
24 department shall use available revenue from the marihuana  
25 regulatory fund established in section 604 of the medical marihuana  
26 facilities licensing act, 2016 PA 281, MCL 333.27604, to improve  
27 physical health; expand access to substance use disorder prevention



1 and treatment services; and strengthen the existing prevention,  
2 treatment, and recovery systems.

3       Sec. 910. The department shall ensure that substance use  
4 disorder treatment is provided to applicants and recipients of  
5 public assistance through the department who are required to obtain  
6 substance use disorder treatment as a condition of eligibility for  
7 public assistance.

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

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

23       Sec. 912. The department shall contract directly with the  
24 Salvation Army Harbor Light program to provide non-Medicaid  
25 substance use disorder services if the local coordinating agency or  
26 the department confirms the Salvation Army Harbor Light program  
27 meets the standard of care. The standard of care shall include, but

1 is not limited to, utilization of the medication assisted treatment  
2 option.

3 Sec. 915. (1) From the funds appropriated in part 1 for  
4 behavioral health program administration and intended to support  
5 the mental health and wellness commission, the department shall  
6 maintain the funding level for Special Olympics Michigan at the  
7 level in effect during the fiscal year ending September 30, 2017.

8 (2) By March 1 of the current fiscal year, the department  
9 shall report the following information on the mental health and  
10 wellness commission to the house and senate appropriations  
11 subcommittees on the department budget, the house and senate fiscal  
12 agencies, the house and senate policy offices, and the state budget  
13 office:

14 (a) Previous fiscal year expenditures by actionable  
15 recommendation of the mental health and wellness commission.

16 (b) Programs utilized during the previous fiscal year to  
17 address each actionable recommendation of the mental health and  
18 wellness commission.

19 (c) Outcomes and performance measures achieved during the  
20 previous fiscal year by actionable recommendation of the mental  
21 health and wellness commission.

22 (d) Current fiscal year funding by actionable recommendation  
23 of the mental health and wellness commission.

24 (e) Current fiscal year funding by program utilized to address  
25 each actionable recommendation of the mental health and wellness  
26 commission.

27 (3) The department shall report on funding within the

1 executive budget proposal for the fiscal year ending September 30,  
2 2020, by actionable recommendation of the mental health and  
3 wellness commission by April 1 of the current fiscal year to the  
4 same report recipients listed in subsection (1).

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

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

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

25       Sec. 928. (1) Each PIHP shall provide, from internal  
26 resources, local funds to be used as a part of the state match  
27 required under the Medicaid program in order to increase capitation

1 rates for PIHPs. These funds shall not include either state funds  
2 received by a CMHSP for services provided to non-Medicaid  
3 recipients or the state matching portion of the Medicaid capitation  
4 payments made to a PIHP.

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

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

23 Sec. 940. (1) According to section 236 of the mental health  
24 code, 1974 PA 258, MCL 330.1236, the department shall do both of  
25 the following:

26 (a) Review expenditures for each CMHSP to identify CMHSPs with  
27 projected allocation surpluses and to identify CMHSPs with

1 projected allocation shortfalls. The department shall encourage the  
2 board of a CMHSP with a projected allocation surplus to concur with  
3 the department's recommendation to reallocate those funds to CMHSPs  
4 with projected allocation shortfalls.

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

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

16 (3) CMHSPs shall report to the department on any proposed  
17 reallocations described in this section at least 30 days before any  
18 reallocations take effect.

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

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

6           Sec. 950. The department, in collaboration with the Michigan  
7 Association of Community Mental Health Boards, shall determine the  
8 best payment method and financial cost of providing \$95.00 per  
9 month to court-appointed guardians and conservators that are  
10 providing services to individuals receiving community mental health  
11 services. By March 1 of the current fiscal year, the department  
12 shall provide a report to the house and senate appropriations  
13 subcommittees on the department budget, the house and senate fiscal  
14 agencies, the house and senate policy offices, and the state budget  
15 office on the proposed payment method and financial cost of  
16 providing \$95.00 per month to court-appointed guardians and  
17 conservators that are providing services to individuals receiving  
18 community mental health services.

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

23           Sec. 959. (1) From the funds appropriated in part 1 for autism  
24 services, the department shall continue to cover all Medicaid  
25 autism services to Medicaid enrollees eligible for the services  
26 that were covered on January 1, 2018.

27           (2) To restrain cost increases in the autism services line

1 item, the department shall do all of the following:

2 (a) Require a second opinion confirming the diagnosis and  
3 recommended treatment for a client if the initial treatment would  
4 cost more than a monthly threshold amount to be specified by the  
5 department. The second opinion must be provided by a physician or a  
6 psychologist with a doctoral degree who has been trained to  
7 diagnose the need for autism therapies. Services and reimbursement  
8 for services based on the initial diagnosis begin upon the initial  
9 diagnosis and continue until 30 days have expired without a second  
10 opinion supporting the initial diagnosis being provided or until  
11 the second opinion did not support the initial diagnosis.

12 (b) Require that a case in which the initial diagnosis and  
13 treatment services are to be performed and provided by the same  
14 provider is subject to the second opinion requirements described in  
15 subdivision (a) regardless of whether the monthly cost meets the  
16 threshold amount described in subdivision (a).

17 (c) Make recommendations to reduce administrative overhead  
18 costs in the provision of autism services.

19 (3) By June 1 of the current fiscal year, the department shall  
20 report to the senate and house subcommittees on the department  
21 budget, the senate and house fiscal agencies, the senate and house  
22 policy offices, and the state budget office all of the following  
23 information:

24 (a) The number of cases meeting the second opinion  
25 requirements described in subsection (2)(a) and (b) between October  
26 1 and March 31 of the current fiscal year.

27 (b) The number of cases in subdivision (a) in which the second

1 opinion did not confirm the initial diagnosis.

2       Sec. 994. (1) By January 1 of the current fiscal year, the  
3 department shall seek, if necessary, federal approval through  
4 either a waiver request or state plan amendment to allow a CMHSP,  
5 PIHP, or subcontracting provider agency that is reviewed and  
6 accredited by a national accrediting entity for behavioral health  
7 care services to be considered in compliance with state program  
8 review and audit requirements that are addressed and reviewed by  
9 that national accrediting entity.

10       (2) By April 1 of the current fiscal year, the department  
11 shall report to the house and senate appropriations subcommittees  
12 on the department budget, the house and senate fiscal agencies, and  
13 the state budget office all of the following:

14       (a) The status of the federal approval process required in  
15 subsection (1).

16       (b) A list of each CMHSP, PIHP, and subcontracting provider  
17 agency that is considered to be in compliance with state program  
18 review and audit requirements under subsection (1).

19       (c) For each CMHSP, PIHP, or subcontracting provider agency  
20 described in subdivision (b), both of the following:

21       (i) The state program review and audit requirements that the  
22 CMHSP, PIHP, or subcontracting provider agency is considered to be  
23 in compliance with.

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

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



1 impacts beneficiary safety. Any cost savings attributed to this  
2 action shall be reinvested back into services.

3 (4) As used in this section, "national accrediting entity"  
4 means the Joint Commission, formerly known as the Joint Commission  
5 on Accreditation of Healthcare Organizations, the Commission on  
6 Accreditation of Rehabilitation Facilities, the Council on  
7 Accreditation, the URAC, formerly known as the Utilization Review  
8 Accreditation Commission, the National Committee for Quality  
9 Assurance, or another appropriate entity, as approved by the  
10 department.

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

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

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

20 Sec. 999. By January 1 of the current fiscal year, the  
21 department shall explore a standardized fee schedule for all  
22 required Medicaid behavioral health services. The department shall  
23 also develop and implement necessary adequacy standards for use in  
24 all contracts with PIHPs.

25 Sec. 1000. By April 1 of the current fiscal year, the  
26 department shall report to the senate and house appropriations  
27 subcommittees on the department budget, the senate and house fiscal

1 agencies, the senate and house policy offices, and the state budget  
2 office the administrative loss ratios of all contracted PIHPs and  
3 CMHSPs from the previous fiscal year. As used in this section,  
4 "administrative loss ratio" means that term as defined and  
5 calculated in the Medicaid managed care rules.

6       Sec. 1001. By December 31 of the current fiscal year, each  
7 CMHSP shall submit a report to the department that identifies  
8 populations being served by the CMHSP broken down by program  
9 eligibility category. The report shall also include the percentage  
10 of the operational budget that is related to program eligibility  
11 enrollment. By January 15 of the current fiscal year, the  
12 department shall submit the report described in this section to the  
13 senate and house appropriations subcommittees on the department  
14 budget, the senate and house fiscal agencies, the senate and house  
15 policy offices, and the state budget office.

16       Sec. 1003. The department shall notify the Community Mental  
17 Health Association of Michigan when developing policies and  
18 procedures that will impact PIHPs or CMHSPs.

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

27       Sec. 1005. For the purposes of special projects involving

1 high-need children or adults, including the not guilty by reason of  
2 insanity population, the department may contract directly with  
3 providers of services to these identified populations.

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

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

16 (b) Take an active role in managing mental health care by  
17 ensuring consistent and high-quality service delivery throughout  
18 its network and promote a conflict-free care management  
19 environment.

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

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

25 Sec. 1009. (1) From the funds appropriated in part 1 for  
26 Medicaid mental health services and Healthy Michigan plan -  
27 behavioral health, the department shall maintain the \$0.50 hourly

1 wage increase for direct care workers as specified under subsection  
2 (1) of section 1009 of article X of 2017 PA 107. Funds provided in  
3 this section must be utilized by a PIHP for increasing direct care  
4 worker wages, for the employer's share of federal insurance  
5 contributions act costs, purchasing worker's compensation  
6 insurance, or the employer's share of unemployment costs.

7 (2) Each PIHP shall report to the department by February 1 of  
8 the current fiscal year the range of wages paid to direct care  
9 workers, including information on the number of workers at each  
10 wage level.

11 (3) The department shall report the information required to be  
12 reported according to subsection (2) to the senate and house  
13 appropriations subcommittees on the department budget, the senate  
14 and house fiscal agencies, the senate and house policy offices, and  
15 the state budget office by March 1 of the current fiscal year.

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

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

22 Sec. 1020. From the funds appropriated in part 1 for the  
23 student outreach services grant program, \$10,000,000.00 is  
24 appropriated to support mental health awareness and intervention in  
25 schools. The grant funding for the student outreach services grant  
26 program shall be available to school districts or local entities

1 who have signed agreements, signed contracts, or signed memorandums  
2 of understanding with the local school district. Other signatories  
3 to the agreements may include a combination of the county, local  
4 county department offices, and a mental health service provider for  
5 the purposes of coordinating, improving, and providing responsive  
6 and effective mental health services to students and families in  
7 public schools.

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

9       Sec. 1051. The department shall continue a revenue recapture  
10 project to generate additional revenues from third parties related  
11 to cases that have been closed or are inactive. A portion of  
12 revenues collected through project efforts may be used for  
13 departmental costs and contractual fees associated with these  
14 retroactive collections and to improve ongoing departmental  
15 reimbursement management functions.

16       Sec. 1052. The purpose of gifts and bequests for patient  
17 living and treatment environments is to use additional private  
18 funds to provide specific enhancements for individuals residing at  
19 state-operated facilities. Use of the gifts and bequests shall be  
20 consistent with the stipulation of the donor. The expected  
21 completion date for the use of gifts and bequests donations is  
22 within 3 years unless otherwise stipulated by the donor.

23       Sec. 1055. (1) The department shall not implement any closures  
24 or consolidations of state hospitals, centers, or agencies until  
25 CMHSPs or PIHPs have programs and services in place for those  
26 individuals currently in those facilities and a plan for service

1 provision for those individuals who would have been admitted to  
2 those facilities.

3 (2) All closures or consolidations are dependent upon adequate  
4 department-approved CMHSP and PIHP plans that include a discharge  
5 and aftercare plan for each individual currently in the facility. A  
6 discharge and aftercare plan shall address the individual's housing  
7 needs. A homeless shelter or similar temporary shelter arrangements  
8 are inadequate to meet the individual's housing needs.

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

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

19 Sec. 1056. The department may collect revenue for patient  
20 reimbursement from first- and third-party payers, including  
21 Medicaid and local county CMHSP payers, to cover the cost of  
22 placement in state hospitals and centers. The department is  
23 authorized to adjust financing sources for patient reimbursement  
24 based on actual revenues earned. If the revenue collected exceeds  
25 current year expenditures, the revenue may be carried forward with  
26 approval of the state budget director. The revenue carried forward  
27 shall be used as a first source of funds in the subsequent year.

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

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

11           (a) The average wait time for persons determined incompetent  
12 to stand trial before admission to the center for forensic  
13 psychiatry.

14           (b) The average wait time for persons determined incompetent  
15 to stand trial before admission to other state-operated psychiatric  
16 facilities.

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

19           (d) The number of persons waiting to receive services at other  
20 state-operated hospitals and centers.

21           Sec. 1060. (1) The department shall continue to work with a  
22 workgroup that includes the chairs of the house and senate  
23 appropriations subcommittees on the department budget or their  
24 designees, labor union representation, civil service, and any other  
25 appropriate parties to recommend solutions to address mandatory  
26 overtime, staff turnover, and staff retention at the state  
27 psychiatric hospitals and centers, including, but not limited to,

1 permitting retired workers to return and permitting hiring of part-  
2 time workers.

3 (2) By March 1 of the current fiscal year, the department  
4 shall provide a status update on the implementation of the  
5 workgroup's recommendations to the senate and house appropriations  
6 subcommittees on the department budget, the senate and house fiscal  
7 agencies, and the state budget office.

8 Sec. 1061. The funds appropriated in part 1 for Caro Regional  
9 Mental Health Center shall only be utilized to support a  
10 psychiatric hospital located at its current location. It is the  
11 intent of the legislature that the Caro Regional Mental Health  
12 Center shall remain open and operational at its current location on  
13 an ongoing basis, and that any capital outlay funding shall be  
14 utilized for planning and construction at the current location  
15 instead of at a new location.

## 16 **HEALTH POLICY**

17 Sec. 1140. From the funds appropriated in part 1 for primary  
18 care services, \$250,000.00 shall be allocated to free health  
19 clinics operating in the state. The department shall distribute the  
20 funds equally to each free health clinic. For the purpose of this  
21 appropriation, "free health clinics" means nonprofit organizations  
22 that use volunteer health professionals to provide care to  
23 uninsured individuals.

24 Sec. 1142. The department shall continue to seek means to  
25 increase retention of Michigan medical school students for  
26 completion of their primary care residency requirements within this



1 state and ultimately, for some period of time, to remain in this  
2 state and serve as primary care physicians. The department is  
3 encouraged to work with Michigan institutions of higher education.

4       Sec. 1144. (1) From the funds appropriated in part 1 for  
5 health policy administration, the department shall allocate the  
6 federal state innovation model grant funding that supports  
7 implementation of the health delivery system innovations detailed  
8 in this state's "Reinventing Michigan's Health Care System:  
9 Blueprint for Health Innovation" document. This initiative will  
10 test new payment methodologies, support improved population health  
11 outcomes, and support improved infrastructure for technology and  
12 data sharing and reporting. The funds will be used to provide  
13 financial support directly to regions participating in the model  
14 test and to support statewide stakeholder guidance and technical  
15 support.

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

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

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

24       (3) On a semiannual basis, the department shall submit a  
25 written report to the house and senate appropriations subcommittees  
26 on the department budget, the house and senate fiscal agencies, and  
27 the state budget office on the status of the program and progress

1 made since the prior report.

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

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

9 (b) The data aggregator must be governed by a nonprofit  
10 entity.

11 (c) All decisions regarding the establishment, administration,  
12 and modification of the database must be made by an advisory board.  
13 The membership of the advisory board must include the director of  
14 the department or a designee of the director and representatives of  
15 health carriers, consumers, and purchasers.

16 (d) The Michigan Data Collaborative shall be the data  
17 aggregator to receive health care claims information from, without  
18 limitation, commercial health carriers, nonprofit health care  
19 corporations, health maintenance organizations, and third party  
20 administrators that process claims under a service contract.

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

23 Sec. 1145. The department will take steps necessary to work  
24 with Indian Health Service, tribal health program facilities, or  
25 Urban Indian Health Program facilities that provide services under  
26 a contract with a Medicaid managed care entity to ensure that those  
27 facilities receive the maximum amount allowable under federal law

1 for Medicaid services.

2       Sec. 1146. From the funds appropriated in part 1 for bone  
3 marrow transplant registry, \$250,000.00 shall be allocated to  
4 Michigan Blood, the partner of the match registry of the national  
5 marrow donor program. The funds shall be used to offset ongoing  
6 tissue typing expenses associated with donor recruitment and  
7 collection services and to expand those services to better serve  
8 the citizens of this state.

9       Sec. 1150. The department shall coordinate with the department  
10 of licensing and regulatory affairs, the department of the attorney  
11 general, all appropriate law enforcement agencies, and the Medicaid  
12 health plans to reduce fraud related to opioid prescribing within  
13 Medicaid, and to address other appropriate recommendations of the  
14 prescription drug and opioid abuse task force outlined in its  
15 report of October 2015. By October 1 of the current fiscal year,  
16 the department shall submit a report to the senate and house  
17 appropriations subcommittees on the department budget, the senate  
18 and house fiscal agencies, the senate and house policy offices, and  
19 the state budget office on steps the department has taken to  
20 coordinate with the entities listed in this section and other  
21 stakeholders to reduce fraud related to opioid prescribing, and to  
22 address other appropriate recommendations of the task force.

23       Sec. 1151. The department shall coordinate with the department  
24 of licensing and regulatory affairs, the department of the attorney  
25 general, all appropriate law enforcement agencies, and the Medicaid  
26 health plans to work with local substance use disorder agencies and  
27 addiction treatment providers to help inform Medicaid beneficiaries

1 of all medically appropriate treatment options for opioid addiction  
2 when their treating physician stops prescribing prescription opioid  
3 medication for pain, and to address other appropriate  
4 recommendations of the prescription drug and opioid abuse task  
5 force outlined in its report of October 2015. By October 1 of the  
6 current fiscal year, the department shall submit a report to the  
7 senate and house appropriations subcommittees on the department  
8 budget, the senate and house fiscal agencies, the senate and house  
9 policy offices, and the state budget office on how the department  
10 is working with local substance use disorder agencies and addiction  
11 treatment providers to ensure that Medicaid beneficiaries are  
12 informed of all available and medically appropriate treatment  
13 options for opioid addiction when their treating physician stops  
14 prescribing prescription opioid medication for pain, and to address  
15 other appropriate recommendations of the task force. The report  
16 shall include any potential barriers to medication-assisted  
17 treatment, as recommended by the Michigan medication-assisted  
18 treatment guidelines, for Medicaid beneficiaries in both office-  
19 based opioid treatment and opioid treatment program facility  
20 settings.

21 **DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY**

22       Sec. 1180. From the funds appropriated in part 1 for  
23 epidemiology administration and for childhood lead program, the  
24 department shall maintain a public health drinking water unit and  
25 enhance current efforts to monitor child blood lead levels. The  
26 public health drinking water unit shall ensure that appropriate

1 investigations of potential health hazards occur for all community  
2 and noncommunity drinking water supplies where chemical exceedances  
3 of action levels, health advisory levels, or maximum contaminant  
4 limits are identified. The goals of the childhood lead program  
5 shall include improving the identification of affected children,  
6 the timeliness of case follow-up, and attainment of nurse care  
7 management for children with lead exposure, and to achieve a long-  
8 term reduction in the percentage of children in this state with  
9 elevated blood lead levels.

10       Sec. 1181. From the funds appropriated in part 1 for  
11 epidemiology administration, the department shall maintain a vapor  
12 intrusion response unit. The vapor intrusion response unit shall  
13 assess risks to public health at vapor intrusion sites and respond  
14 to vapor intrusion risks where appropriate. The goals of the vapor  
15 intrusion response unit shall include reducing the number of  
16 residents of this state exposed to toxic substances through vapor  
17 intrusion and improving health outcomes for individuals that are  
18 identified as having been exposed to vapor intrusion.

19       Sec. 1182. (1) From the funds appropriated in part 1 for the  
20 healthy homes program, no less than \$1,750,000.00 of general  
21 fund/general purpose funds and \$23,480,000.00 of federal funds  
22 shall be allocated for lead abatement of homes.

23       (2) By January 1 of the current fiscal year, the department  
24 shall provide a report to the house and senate appropriations  
25 subcommittees on the department budget, the house and senate fiscal  
26 agencies, and the state budget office on the expenditures and  
27 activities undertaken by the lead abatement program in the previous

1 fiscal year from the funds appropriated in part 1 for the healthy  
2 homes program. The report shall include, but is not limited to, a  
3 funding allocation schedule, expenditures by category of  
4 expenditure and by subcontractor, revenues received, description of  
5 program elements, and description of program accomplishments and  
6 progress.

7       Sec. 1183. From the funds appropriated in part 1 for PFAS and  
8 environmental contamination response, the department shall  
9 appropriate \$50,000.00 to a local health department located in a  
10 county with a population between 6,600 and 6,700 according to the  
11 most recent federal decennial census for the purpose of purchasing  
12 water sampling laboratory equipment.

### 13 **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

14       Sec. 1220. The amount appropriated in part 1 for  
15 implementation of the 1993 additions of or amendments to sections  
16 9161, 16221, 16226, 17014, 17015, and 17515 of the public health  
17 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,  
18 333.17015, and 333.17515, shall be used to reimburse local health  
19 departments for costs incurred related to implementation of section  
20 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

21       Sec. 1221. If a county that has participated in a district  
22 health department or an associated arrangement with other local  
23 health departments takes action to cease to participate in such an  
24 arrangement after October 1 of the current fiscal year, the  
25 department shall have the authority to assess a penalty from the  
26 local health department's operational accounts in an amount equal

1 to no more than 6.25% of the local health department's essential  
2 local public health services funding. This penalty shall only be  
3 assessed to the local county that requests the dissolution of the  
4 health department.

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

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

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

22       (4) By December 1 of the current fiscal year, the department  
23 shall provide a report to the house and senate appropriations  
24 subcommittees on the department budget, the house and senate fiscal  
25 agencies, and the state budget director on the planned allocation  
26 of the funds appropriated for essential local public health  
27 services.

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

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

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

16           Sec. 1225. The department shall work with the Michigan health  
17 endowment fund corporation established under section 653 of the  
18 nonprofit health care corporation reform act, 1980 PA 350, MCL  
19 550.1653, to explore ways to fund and evaluate current and future  
20 policies and programs.

21           Sec. 1226. From the funds appropriated in part 1 for health  
22 and wellness initiatives, \$100.00 shall be allocated for a school  
23 children's healthy exercise program to promote and advance physical  
24 health for school children in kindergarten through grade 8. The  
25 department shall recommend model programs for sites to implement  
26 that incorporate evidence-based best practices. The department  
27 shall grant no less than 1/2 of the funds appropriated in part 1



1 for before- and after-school programs. The department shall  
2 establish guidelines for program sites, which may include schools,  
3 community-based organizations, private facilities, recreation  
4 centers, or other similar sites. The program format shall encourage  
5 local determination of site activities and shall encourage local  
6 inclusion of youth in the decision-making regarding site  
7 activities. Program goals shall include children experiencing  
8 improved physical health and access to physical activity  
9 opportunities, the reduction of obesity, providing a safe place to  
10 play and exercise, and nutrition education. To be eligible to  
11 participate, program sites shall provide a 20% match to the state  
12 funding, which may be provided in full, or in part, by a  
13 corporation, foundation, or private partner. The department shall  
14 seek financial support from corporate, foundation, or other private  
15 partners for the program or for individual program sites.

16       Sec. 1227. The department shall establish criteria for all  
17 funds allocated under part 1 for health and wellness initiatives.  
18 The criteria must include a requirement that all programs funded be  
19 evidence-based and supported by research, include interventions  
20 that have been shown to demonstrate outcomes that lower cost and  
21 improve quality, and be designed for statewide impact. Preference  
22 must be given to programs that utilize the funding as match for  
23 additional resources, including, but not limited to, federal  
24 sources.

25       Sec. 1228. From the funds appropriated in part 1 for injury  
26 control intervention project, \$1,000,000.00 shall be allocated for  
27 implementation of evidence-based, real-time, quality assurance

1 decision support software in the treatment of pediatric traumatic  
2 brain injury and for protocols that are to be available to all  
3 hospitals providing those trauma services. The funds shall be used  
4 to purchase statewide licenses for pediatric traumatic brain injury  
5 treatment software and related software services and to offset  
6 hospital software integration costs. The department shall seek  
7 federal matching funds that may be available for implementation of  
8 this section.

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

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

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

22       (a) The number of uninsured patients who visited a  
23 participating dentist over the prior year, broken down between  
24 adults and children.

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

27       (c) A 5-year trend of the number of uninsured patients being

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1 served, broken down between adults and children.

2       Sec. 1234. (1) By February 1 of the current fiscal year, the  
3 department shall develop and report to the senate and house  
4 appropriations subcommittees on the department budget, the senate  
5 and house fiscal agencies, the senate and house policy offices, and  
6 the state budget office a revised distribution formula for the  
7 allocation of essential local public health services funding to  
8 local health departments.

9       (2) It is the intent of the legislature that the formula  
10 developed under this section will be implemented during the fiscal  
11 year beginning October 1, 2019.

<<Sec. 1235. From the funds appropriated in part 1 for essential  
local public health services, \$100.00 shall be allocated to local health  
departments as defined in section 1105 of the public health code, MCL  
333.1105, and having those powers and duties as described in part 24 of  
the public health code, MCL 333.2401 to 333.2498, to evaluate and inspect  
food service kitchens of prisons operated by the Michigan department of  
corrections. If the site where a prison food service kitchen is in  
operation does not have an existing local health department with the  
capabilities to evaluate and inspect the prison food service kitchen,  
these funds shall be available to a neighboring local health department  
in order to evaluate and inspect the prison food service kitchen.>>

12 **FAMILY, MATERNAL, AND CHILD HEALTH**

13       Sec. 1301. (1) Before April 1 of the current fiscal year, the  
14 department shall submit a report to the house and senate fiscal  
15 agencies and the state budget director on planned allocations from  
16 the amounts appropriated in part 1 for local MCH services, prenatal  
17 care outreach and service delivery support, family planning local  
18 agreements, and pregnancy prevention programs. Using applicable  
19 federal definitions, the report shall include information on all of  
20 the following:

21       (a) Funding allocations.

22       (b) Actual number of women, children, and adolescents served  
23 and amounts expended for each group for the immediately preceding  
24 fiscal year.

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

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

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

8           Sec. 1302. Each family planning program receiving federal  
9 title X family planning funds under 42 USC 300 to 300a-8 shall be  
10 in compliance with all performance and quality assurance indicators  
11 that the office of population affairs within the United States  
12 Department of Health and Human Services specifies in the program  
13 guidelines for project grants for family planning services. An  
14 agency not in compliance with the indicators shall not receive  
15 supplemental or reallocated funds.

16           Sec. 1303. The department shall not contract with an  
17 organization that provides elective abortions, abortion counseling,  
18 or abortion referrals, for services that are to be funded with  
19 state restricted or state general fund/general purpose funds  
20 appropriated in part 1 for family planning local agreements. An  
21 organization under contract with the department shall not  
22 subcontract with an organization that provides elective abortions,  
23 abortion counseling, or abortion referrals, for services that are  
24 to be funded with state restricted or state general fund/general  
25 purpose funds appropriated in part 1 for family planning local  
26 agreements.

27           Sec. 1304. The department shall not use state restricted funds

1 or state general funds appropriated in part 1 in the pregnancy  
2 prevention program or family planning local agreements  
3 appropriation line items for abortion counseling, referrals, or  
4 services.

5       Sec. 1305. (1) From the funds appropriated in part 1 for  
6 family planning local agreements and the pregnancy prevention  
7 program, the department shall not contract with or award grants to  
8 an entity that engages in 1 or more of the activities described in  
9 section 1091(2) of 2002 PA 360, MCL 333.1091, if the entity is  
10 located in a county or health district where family planning or  
11 pregnancy prevention services are provided by the county, the  
12 health district, or a qualified entity that does not engage in any  
13 of the activities described in section 1091(2) of 2002 PA 360, MCL  
14 333.1091.

15       (2) The department shall give priority to counties or health  
16 districts where no contracts or grants currently exist for family  
17 planning or pregnancy prevention services before contracting with  
18 or awarding grants to an entity that engages in 1 or more of the  
19 activities described in 1091(2) of 2002 PA 360, MCL 333.1091, if  
20 that entity is located in a county where family planning and  
21 pregnancy prevention services are provided by the county, the  
22 health district, or another qualified entity that does not engage  
23 in the activities described in 1091(2) of 2002 PA 360, MCL  
24 333.1091.

25       Sec. 1307. From the funds appropriated in part 1 for prenatal  
26 care outreach and service delivery support, \$700,000.00 shall be  
27 allocated for a pregnancy and parenting support services program,

1 which must promote childbirth, alternatives to abortion, and grief  
2 counseling. The department shall establish a program with a  
3 qualified contractor that will contract with qualified service  
4 providers to provide free counseling, support, and referral  
5 services to eligible women during pregnancy through 12 months after  
6 birth. As appropriate, the goals for client outcomes shall include  
7 an increase in client support, an increase in childbirth choice, an  
8 increase in adoption knowledge, an improvement in parenting skills,  
9 and improved reproductive health through abstinence education. The  
10 contractor of the program shall provide for program training,  
11 client educational material, program marketing, and annual service  
12 provider site monitoring. The department shall submit a report to  
13 the house and senate appropriations subcommittees on the department  
14 budget and the house and senate fiscal agencies by April 1 of the  
15 current fiscal year on the number of clients served.

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

27 Sec. 1313. (1) The department shall continue developing an

1 outreach program on fetal alcohol syndrome services, targeting  
2 health promotion, prevention, and intervention as described in the  
3 Michigan fetal alcohol spectrum disorders 5-year plan 2015-2020.

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

7 Sec. 1314. The department shall seek to enhance education and  
8 outreach efforts that encourage women of childbearing age to seek  
9 confirmation at the earliest indication of possible pregnancy and  
10 initiate continuous and routine prenatal care upon confirmation of  
11 pregnancy. The department shall seek to ensure that department  
12 programs, policies, and practices promote prenatal and obstetrical  
13 care by doing the following:

14 (a) Supporting access to care.

15 (b) Reducing and eliminating barriers to care.

16 (c) Supporting recommendations for best practices.

17 (d) Encouraging optimal prenatal habits such as prenatal  
18 medical visits, use of prenatal vitamins, and cessation of use of  
19 tobacco, alcohol, or drugs.

20 (e) Tracking of birth outcomes to study improvements in  
21 prevalence of fetal drug addiction, fetal alcohol syndrome, and  
22 other preventable neonatal disease.

23 (f) Tracking of maternal increase in healthy behaviors  
24 following childbirth.

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

1 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

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

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

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

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

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

11 Sec. 1361. From the funds appropriated in part 1 for medical  
12 care and treatment, the department is authorized to spend those  
13 funds for the continued development and expansion of telemedicine  
14 capacity to allow families with children in the children's special  
15 health care services program to access specialty providers more  
16 readily and in a more timely manner. The department may spend funds  
17 to support chronic complex care management of children enrolled in  
18 the children's special health care services program to minimize  
19 hospitalizations and reduce costs to the program while improving  
20 outcomes and quality of life.

21 **AGING AND ADULT SERVICES AGENCY**

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

26 Sec. 1403. (1) By February 1 of the current fiscal year, the



1 aging and adult services agency shall require each region to report  
2 to the aging and adult services agency and to the legislature home-  
3 delivered meals waiting lists based upon standard criteria.

4 Determining criteria shall include all of the following:

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

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

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

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

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

15 Sec. 1417. The department shall provide to the senate and  
16 house appropriations subcommittees on the department budget, senate  
17 and house fiscal agencies, and state budget director a report by  
18 March 30 of the current fiscal year that contains all of the  
19 following:

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

22 (b) Detail expenditure by each area agency on aging by  
23 individual program and administration including both state-funded  
24 resources and locally funded resources.

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

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

9           (2) By March 1 of the current fiscal year, the Prosecuting  
10 Attorneys Association of Michigan shall provide a report on the  
11 efficacy of the contract to the state budget office, the house and  
12 senate appropriations subcommittees on the department budget, the  
13 house and senate fiscal agencies, and the house and senate policy  
14 offices.

15           Sec. 1424. From the funds appropriated in part 1 for community  
16 services, \$550,000.00 is appropriated for Alzheimer's disease  
17 services and shall be remitted to the Alzheimer's Association-  
18 Michigan chapters for the purpose of carrying out the in-home care  
19 and support project in Kent, Ingham, Jackson, Kalamazoo,  
20 Livingston, Macomb, Monroe, Oakland, St. Clair, St. Joseph, and  
21 Wayne Counties. The fiduciary for the funds is the Alzheimer's  
22 Association greater Michigan chapter. The Alzheimer's Association  
23 shall provide enhanced services, including 24/7 helpline, continued  
24 care consultation, and support groups, to individuals with  
25 Alzheimer's disease or dementia and their families in the 11  
26 counties, and partner with a Michigan public university to study  
27 whether the provision of the in-home support services significantly

1 delays the need for residential long-term care services for  
2 individuals with Alzheimer's disease or dementia. The study must  
3 also consider potential cost savings related to the delay of long-  
4 term care services, if a delay is shown.

5       Sec. 1425. The department shall coordinate with the department  
6 of licensing and regulatory affairs to ensure that, upon receipt of  
7 the order of suspension of a licensed adult foster care home, home  
8 for the aged, or nursing home, the department of licensing and  
9 regulatory affairs shall provide notice to the department, to the  
10 house and senate appropriations subcommittees on the department  
11 budget, and to the members of the house and senate that represent  
12 the legislative districts of the county in which the facility lies.

### 13 **MEDICAL SERVICES ADMINISTRATION**

14       Sec. 1501. The unexpended funds appropriated in part 1 for the  
15 electronic health records incentive program are designed as a work  
16 project appropriation, and any unencumbered or unallotted funds  
17 shall not lapse at the end of the fiscal year and shall be  
18 available for expenditures for projects under this section until  
19 the projects have been completed. The following is in compliance  
20 with section 451a(1) of the management and budget act, 1984 PA 431,  
21 MCL 18.1451a:

22       (a) The purpose of the work project is to implement the  
23 Medicaid electronic health record program that provides financial  
24 incentive payments to Medicaid health care providers to encourage  
25 the adoption and meaningful use of electronic health records to  
26 improve quality, increase efficiency, and promote safety.

1 (b) The projects will be accomplished by utilizing state  
2 employees or contracts with service providers, or both, and  
3 according to the approved federal advanced planning document.

4 (c) The total estimated cost of the work project is  
5 \$96,087,400.00.

6 (d) The tentative completion date is September 30, 2023.

7 Sec. 1504. The office of inspector general shall only recover  
8 money from the Medicaid health plans equal to the amount the  
9 Medicaid health plan was able to recover from providers within its  
10 network for audits and investigations initiated by the office of  
11 inspector general.

12 Sec. 1505. On a semiannual basis, the department shall submit  
13 a report to the senate and house appropriations subcommittees on  
14 the department budget, the senate and house fiscal agencies, and  
15 the state budget office including both of the following:

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

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

24 Sec. 1506. The department shall submit to the senate and house  
25 appropriations subcommittees on the department budget, the senate  
26 and house fiscal agencies, the senate and house policy offices, and  
27 the state budget office quarterly reports on the implementation

1 status of the public assistance call center that include all of the  
2 following information:

3 (a) Call volume during the prior quarter.

4 (b) Percentage of calls resolved through the public assistance  
5 call center.

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

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

10 Sec. 1507. (1) From the funds appropriated for integrated  
11 service delivery in part 1 in the technology supporting integrated  
12 service and departmental administration and management line items,  
13 the department shall maintain information technology tools and  
14 enhance existing systems to improve the eligibility and enrollment  
15 process for citizens accessing department administered programs.  
16 This information technology system will consolidate beneficiary  
17 information, support department caseworker efforts in building a  
18 success plan for beneficiaries, and better support department staff  
19 in supporting enrollees in assistance programs.

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

22 (a) Successful consolidation of data warehouses maintained by  
23 the department.

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

26 (c) A reduction in wait times for persons enrolled in  
27 assistance programs to speak with department staff and get

1 necessary changes made.

2 (d) A reduction in department caseworker workload.

3 Sec. 1508. (1) From the funds appropriated in part 1 for  
4 medical services administration, \$500,000.00 is appropriated for  
5 the operation and maintenance of the Michigan dental registry in  
6 support of the enhanced dental benefit for the Healthy Kids Dental  
7 program. Additionally, the department shall explore the expansion  
8 of the scope of the Michigan dental registry to enhance the  
9 Medicaid adult dental benefit for pregnant women.

10 (2) The department shall monitor childhood caries preventative  
11 services delivered to pediatric Medicaid recipients in both medical  
12 and dental settings. By September 30 of the current fiscal year,  
13 the department shall submit a report to the senate and house  
14 appropriations subcommittees on the department budget, the senate  
15 and house fiscal agencies, the senate and house policy offices, and  
16 the state budget office on the results of the program. The report  
17 shall include, but not be limited to, all of the following:

18 (a) Comparative data on completed referral rates from  
19 pediatric medical providers to dental providers.

20 (b) The reduction of caries in the Medicaid child population.

21 (c) Any associated long-term or short-term cost savings to the  
22 Medicaid program.

23 Sec. 1509. By September 30 of the current fiscal year or 6  
24 months after the implementation of employment-related activity  
25 requirements or work requirements for medical assistance from an  
26 approved waiver from CMS, whichever date is sooner, the department  
27 shall report to the senate and house appropriations subcommittees

1 on the department budget, the senate and house fiscal agencies, the  
2 senate and house policy offices, and the state budget office on the  
3 number of recipients who are noncompliant with the required self-  
4 sufficiency goals, an explanation of the actions undertaken and the  
5 number of recipients subject to employment-related activity  
6 requirements or work requirements by the department to utilize  
7 employment and training services provided through the Michigan  
8 Works! agency, and a list of the activities from a sample of  
9 recipients that the department has approved to comply with  
10 employment-related activity requirements or work requirements.

11 **MEDICAL SERVICES**

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

17       Sec. 1603. (1) The department may establish a program for  
18 individuals to purchase medical coverage at a rate determined by  
19 the department.

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

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

25       Sec. 1605. The protected income level for Medicaid coverage  
26 determined pursuant to section 106(1)(b)(iii) of the social welfare

1 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public  
2 assistance standard.

3 Sec. 1606. For the purpose of guardian and conservator  
4 charges, the department may deduct up to \$95.00 per month as an  
5 allowable expense against a recipient's income when determining  
6 medical services eligibility and patient pay amounts.

7 Sec. 1607. (1) An applicant for Medicaid, whose qualifying  
8 condition is pregnancy, shall immediately be presumed to be  
9 eligible for Medicaid coverage unless the preponderance of evidence  
10 in her application indicates otherwise. The applicant who is  
11 qualified as described in this subsection shall be allowed to  
12 select or remain with the Medicaid participating obstetrician of  
13 her choice.

14 (2) All qualifying applicants shall be entitled to receive all  
15 medically necessary obstetrical and prenatal care without  
16 preauthorization from a health plan. All claims submitted for  
17 payment for obstetrical and prenatal care shall be paid at the  
18 Medicaid fee-for-service rate in the event a contract does not  
19 exist between the Medicaid participating obstetrical or prenatal  
20 care provider and the managed care plan. The applicant shall  
21 receive a listing of Medicaid physicians and managed care plans in  
22 the immediate vicinity of the applicant's residence.

23 (3) In the event that an applicant, presumed to be eligible  
24 pursuant to subsection (1), is subsequently found to be ineligible,  
25 a Medicaid physician or managed care plan that has been providing  
26 pregnancy services to an applicant under this section is entitled  
27 to reimbursement for those services until such time as they are



1 notified by the department that the applicant was found to be  
2 ineligible for Medicaid.

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

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

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

14 (7) The department shall encourage physicians to provide  
15 women, whose qualifying condition for Medicaid is pregnancy, with a  
16 referral to a Medicaid participating dentist at the first  
17 pregnancy-related appointment.

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

1 the medical services program. The department shall require a  
2 nonenrolled provider to accept medical services payments as payment  
3 in full.

4 (2) Notwithstanding subsection (1), medical services  
5 reimbursement for hospital services provided to dual  
6 Medicare/medical services recipients with Medicare part B coverage  
7 only shall equal, when combined with payments for Medicare and  
8 other third-party resources, if any, those amounts established for  
9 medical services-only patients, including capital payments.

10 Sec. 1620. (1) For fee-for-service recipients, the  
11 professional dispensing fee for nonspecialty medications on the  
12 department preferred drug list shall be \$10.80 or the pharmacy's  
13 usual or customary cash charge, whichever is less. The professional  
14 dispensing fee for nonspecialty medications not on the preferred  
15 drug list shall be \$10.64 or the pharmacy's usual or customary cash  
16 charge, whichever is less. The professional dispensing fee for  
17 nonspecialty, nonpreferred medications shall be \$9.00 or the  
18 pharmacy's usual or customary cash charge, whichever is less. The  
19 professional dispensing fee for specialty medications shall be  
20 \$20.02 or the pharmacy's usual or customary cash charge, whichever  
21 is less. If the prescriber mandates the use of a specific  
22 medication by indicating "dispense as written" for nonspecialty  
23 medications, the professional dispensing fee shall be \$10.64 or the  
24 pharmacy's usual or customary cash charge, whichever is less.

25 (2) The department shall require a prescription co-payment for  
26 Medicaid recipients not enrolled in the Healthy Michigan plan or  
27 with an income less than 100% of the federal poverty level of \$1.00

1 for a generic drug and \$3.00 for a brand-name drug, except as  
2 prohibited by federal or state law or regulation.

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

8 Sec. 1621. By March 1 of the current fiscal year, the  
9 department shall report to the house and senate appropriations  
10 subcommittees on the department budget, the house and senate fiscal  
11 agencies, and the state budget office on strategies the department  
12 is using to minimize the state cost of specialty drugs. Also, the  
13 department may take additional measures in order to further reduce  
14 state costs, while also ensuring that appropriate clinical care is  
15 being utilized. The report shall also include information on  
16 savings generated as a result of these additional measures that may  
17 include additional cost sharing, step therapy, and prior  
18 authorization.

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

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

27 (2) Except as otherwise prohibited by federal or state law or

1 regulation, the department shall require Medicaid recipients not  
2 enrolled in the Healthy Michigan plan or with an income less than  
3 100% of the federal poverty level to pay not less than the  
4 following co-payments:

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

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

7 (c) Fifty dollars for the first day of an inpatient hospital  
8 stay.

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

10 (3) Except as otherwise prohibited by federal or state law or  
11 regulation, the department shall require Medicaid recipients  
12 enrolled in the Healthy Michigan plan with an income of at least  
13 100% of the federal poverty level to pay the following co-payments:

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

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

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

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

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

25 Sec. 1645. The department shall consider using the most recent  
26 3 years of actual days of care provided, as reported in the annual  
27 cost reports, for the purpose of establishing the nursing facility

1 quality assurance assessment fee. For any year in which the  
2 estimated days of care compared to the actual days of care provided  
3 by each nursing home and hospital long-term care unit creates an  
4 aggregate overpayment of \$1,000,000.00 or more as a result of the  
5 nursing facility quality assurance assessment fee, the department  
6 shall report the excess assessed amount to the senate and house  
7 appropriations subcommittees on the department budget, the senate  
8 and house fiscal agencies, and the state budget office. By April 1  
9 of the current fiscal year, the department shall report on  
10 feasibility of creating a more accurate formula for next year's  
11 assessment and a recommendation if a refund can or cannot be made  
12 to the senate and house appropriations subcommittees on the  
13 department budget, the senate and house fiscal agencies, and the  
14 state budget office.

15 Sec. 1646. (1) From the funds appropriated in part 1 for long-  
16 term care services, the department shall administer a nursing  
17 facility quality measure initiative program. The initiative shall  
18 be financed through an increase of the quality assurance assessment  
19 for nursing homes and hospital long-term care units, and the funds  
20 shall be distributed according to the following criteria:

21 (a) The department shall award more dollars to nursing  
22 facilities that have a higher CMS 5-star quality measure domain  
23 rating, then adjusted to account for both positive and negative  
24 aspects of a patient satisfaction survey.

25 (b) A nursing facility with a CMS 5-star quality measure  
26 domain star rating of 1 or 2 must file an action plan with the  
27 department describing how it intends to use funds appropriated

1 under this section to increase quality outcomes before funding  
2 shall be released.

3 (c) The total incentive dollars must reflect the following  
4 Medicaid utilization scale:

5 (i) For nursing facilities with a Medicaid participation rate  
6 of above 63%, the facility shall receive 100% of the incentive  
7 payment.

8 (ii) For nursing facilities with a Medicaid participation rate  
9 between 50% and 63%, the facility shall receive 75% of the  
10 incentive payment.

11 (iii) For nursing facilities with a Medicaid participation  
12 rate of less than 50%, the facility shall receive 50% of the  
13 incentive payment.

14 (iv) For nursing facilities not enrolled in Medicaid, the  
15 facility shall not receive an incentive payment.

16 (d) Facilities designated as special focus facilities are not  
17 eligible for any payment under this section.

18 (e) Number of licensed beds.

19 (2) The department and nursing facility representatives shall  
20 evaluate the program's effectiveness on quality, measured by the  
21 change in the CMS 5-star quality measure domain rating since the  
22 implementation of this section. By March 1 of the current fiscal  
23 year, the department shall report to the senate and house  
24 appropriations subcommittees on the department budget, the senate  
25 and house fiscal agencies, and the senate and house policy offices  
26 on the findings of the evaluation.

27 Sec. 1657. (1) Reimbursement for medical services to screen

1 and stabilize a Medicaid recipient, including stabilization of a  
2 psychiatric crisis, in a hospital emergency room shall not be made  
3 contingent on obtaining prior authorization from the recipient's  
4 HMO. If the recipient is discharged from the emergency room, the  
5 hospital shall notify the recipient's HMO within 24 hours of the  
6 diagnosis and treatment received.

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

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

15 Sec. 1659. The following sections of this part are the only  
16 ones that shall apply to the following Medicaid managed care  
17 programs, including the comprehensive plan, MIChoice long-term care  
18 plan, and the mental health, substance use disorder, and  
19 developmentally disabled services program: 904, 911, 918, 920, 928,  
20 942, 994, 999, 1008, 1009, 1607, 1657, 1662, 1696, 1699, 1700,  
21 1702, 1763, 1764, 1809, 1810, 1820, 1850, 1875, 1882, and 1888.

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

27 (2) The department shall require Medicaid HMOs to provide

1 EPSDT utilization data through the encounter data system, and HEDIS  
2 well child health measures in accordance with the National  
3 Committee for Quality Assurance prescribed methodology.

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

11 Sec. 1670. (1) The appropriation in part 1 for the MICHild  
12 program is to be used to provide comprehensive health care to all  
13 children under age 19 who reside in families with income at or  
14 below 212% of the federal poverty level, who are uninsured and have  
15 not had coverage by other comprehensive health insurance within 6  
16 months of making application for MICHild benefits, and who are  
17 residents of this state. The department shall develop detailed  
18 eligibility criteria through the medical services administration  
19 public concurrence process, consistent with the provisions of this  
20 part and part 1.

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

27 (3) The department may make payments on behalf of children



1 enrolled in the MICHild program as described in the MICHild state  
2 plan approved by the United States Department of Health and Human  
3 Services, or from other medical services.

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

8 Sec. 1677. The MICHild program shall provide, at a minimum,  
9 all benefits available under the Michigan benchmark plan that are  
10 delivered through contracted providers and consistent with federal  
11 law, including, but not limited to, the following medically  
12 necessary services:

13 (a) Inpatient mental health services, other than substance use  
14 disorder treatment services, including services furnished in a  
15 state-operated mental hospital and residential or other 24-hour  
16 therapeutically planned structured services.

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

20 (c) Durable medical equipment and prosthetic and orthotic  
21 devices.

22 (d) Dental services as outlined in the approved MICHild state  
23 plan.

24 (e) Substance use disorder treatment services that may include  
25 inpatient, outpatient, and residential substance use disorder  
26 treatment services.

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

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

3 (h) Emergency ambulance services.

4 Sec. 1682. (1) In addition to the appropriations in part 1,  
5 the department is authorized to receive and spend penalty money  
6 received as the result of noncompliance with medical services  
7 certification regulations. Penalty money, characterized as private  
8 funds, received by the department shall increase authorizations and  
9 allotments in the long-term care accounts.

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

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

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

24 (a) Finance activities within the medical services  
25 administration related to this project.

26 (b) Reimburse participating school districts pursuant to the  
27 fund-sharing ratios negotiated in the state-local agreements

1 authorized in subsection (1).

2 (c) Offset general fund costs associated with the medical  
3 services program.

4 Sec. 1693. The special Medicaid reimbursement appropriation in  
5 part 1 may be increased if the department submits a medical  
6 services state plan amendment pertaining to this line item at a  
7 level higher than the appropriation. The department is authorized  
8 to appropriately adjust financing sources in accordance with the  
9 increased appropriation.

10 Sec. 1694. From the funds appropriated in part 1 for special  
11 Medicaid reimbursement, \$386,700.00 of general fund/general purpose  
12 revenue and any associated federal match shall be distributed for  
13 poison control services to an academic health care system that has  
14 a high indigent care volume.

15 Sec. 1696. If an applicant for Medicaid coverage through the  
16 Healthy Michigan plan received medical coverage in the previous  
17 fiscal year through traditional Medicaid, and is still eligible for  
18 coverage through traditional Medicaid, the applicant is not  
19 eligible to receive coverage through the Healthy Michigan plan.

20 Sec. 1697. The department shall require that Medicaid health  
21 plans administering Healthy Michigan plan benefits maintain a  
22 network of dental providers in sufficient numbers, mix, and  
23 geographic locations throughout their respective service areas in  
24 order to provide adequate dental care for Healthy Michigan plan  
25 enrollees.

26 Sec. 1699. (1) The department may make separate payments in  
27 the amount of \$45,000,000.00 directly to qualifying hospitals

1 serving a disproportionate share of indigent patients and to  
2 hospitals providing GME training programs. If direct payment for  
3 GME and DSH is made to qualifying hospitals for services to  
4 Medicaid recipients, hospitals shall not include GME costs or DSH  
5 payments in their contracts with HMOs.

6 (2) The department shall allocate \$45,000,000.00 in DSH  
7 funding using the distribution methodology used in fiscal year  
8 2003-2004.

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

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

18 (b) GME.

19 (c) Special rural hospital payments provided under section  
20 1866 of this part.

21 (d) Lump-sum payments to rural hospitals for obstetrical care  
22 provided under section 1802 of this part.

23 (2) By May 1 of the current fiscal year, the department shall  
24 report to the senate and house appropriations subcommittees on the  
25 department budget, the senate and house fiscal agencies, and the  
26 state budget office on the projected distribution of funding, and  
27 the projected net benefit if the special hospital payment is not

1 financed with general fund/general purpose revenue, to each  
2 eligible hospital from the following special hospital payments:

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

4 (b) GME.

5 (c) Special rural hospital payments provided under section  
6 1866 of this part.

7 (d) Lump-sum payments to rural hospitals for obstetrical care  
8 provided under section 1802 of this part.

9 Sec. 1702. From the funds appropriated in part 1, the  
10 department shall maintain the 15% rate increase provided during the  
11 fiscal year ending September 30, 2017 for private duty nursing  
12 services for Medicaid beneficiaries under the age of 21. These  
13 additional funds must be used to attract and retain highly  
14 qualified registered nurses and licensed practical nurses to  
15 provide private duty nursing services so that medically frail  
16 children can be cared for in the most homelike setting possible.

17 Sec. 1704. (1) From the funds appropriated in part 1 for  
18 dental services, the department shall allocate \$2,697,300.00 to  
19 support the enhancement of the Medicaid adult dental benefit for  
20 pregnant women enrolled in a Medicaid program.

21 (2) The department shall report to the senate and house  
22 appropriations subcommittees on the department budget, the senate  
23 and house fiscal agencies, and the state budget office by October 1  
24 of the current fiscal year on the steps taken by the department to  
25 implement subsection (1).

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

1 (a) The number of pregnant women enrolled in Medicaid who  
2 visited a dentist over the prior year.

3 (b) The number of dentists statewide who participate in  
4 providing dental services to pregnant women enrolled in Medicaid.

5 Sec. 1724. The department shall allow licensed pharmacies to  
6 purchase injectable drugs for the treatment of respiratory  
7 syncytial virus for shipment to physicians' offices to be  
8 administered to specific patients. If the affected patients are  
9 Medicaid eligible, the department shall reimburse pharmacies for  
10 the dispensing of the injectable drugs and reimburse physicians for  
11 the administration of the injectable drugs.

12 Sec. 1757. The department shall obtain proof from all Medicaid  
13 recipients that they are legal United States citizens or otherwise  
14 legally residing in this country and that they are residents of  
15 this state before approving Medicaid eligibility.

16 Sec. 1763. The department shall issue an RFP for a 3-year  
17 contract for actuarial services, including, but not limited to,  
18 capitation rate setting for Medicaid and the Healthy Michigan plan.  
19 The department shall notify the senate and house appropriations  
20 subcommittees on the department budget, the senate and house fiscal  
21 agencies, and the senate and house policy offices on what vendors  
22 submitted bids for the contract, which vendor received the  
23 contract, the evaluation process, and the criteria used once an  
24 award for actuarial services has been made.

25 Sec. 1764. The department shall annually certify whether rates  
26 paid to Medicaid health plans and specialty PIHPs are actuarially  
27 sound in accordance with federal requirements and shall provide a

1 copy of the rate certification and approval of rates paid to  
2 Medicaid health plans and specialty PIHPs within 5 business days  
3 after certification or approval to the senate and house  
4 appropriations subcommittees on the department budget, the senate  
5 and house fiscal agencies, and the state budget office. Following  
6 the rate certification, the department shall ensure that no new or  
7 revised state Medicaid policy bulletin that is promulgated  
8 materially impacts the capitation rates that have been certified in  
9 a negative manner.

10       Sec. 1775. (1) By March 1 of the current fiscal year, the  
11 department shall report to the senate and house appropriations  
12 subcommittees on the department budget, the senate and house fiscal  
13 agencies, and the state budget office on progress in implementing  
14 the waiver to implement managed care for individuals who are  
15 eligible for both Medicare and Medicaid, known as MI Health Link,  
16 including, but not limited to, a description of how the department  
17 intends to ensure that service delivery is integrated, how key  
18 components of the proposal are implemented effectively, and any  
19 problems and potential solutions as identified by the ombudsman  
20 described in subsection (2).

21       (2) The department shall ensure the existence of an ombudsman  
22 program that is not associated with any project service manager or  
23 provider to assist MI Health Link beneficiaries with navigating  
24 complaint and dispute resolution mechanisms and to identify  
25 problems in the demonstrations and in the complaint and dispute  
26 resolution mechanisms.

27       Sec. 1782. Subject to federal approval, from the funds

1 appropriated in part 1 for health plan services, the department  
2 shall allocate \$740,000.00 general fund/general purpose plus any  
3 available work project funds and federal match through an  
4 administered contract with oversight from Medical Services  
5 Administration and Population Health. The funds shall be used to  
6 support a statewide media campaign for improving this state's  
7 immunization rates.

8       Sec. 1790. It is the intent of the legislature that any  
9 restricted funds provided for ambulance provider reimbursements  
10 must come from an ambulance provider quality assurance assessment  
11 with a base narrowly tailored to ambulance services that does not  
12 include other municipal services.

13       Sec. 1791. From the funds appropriated in part 1 for health  
14 plan services and physician services, the department shall increase  
15 Medicaid reimbursement rates for neonatal services to 75% of the  
16 Medicare rate received for those services in effect on the date the  
17 services are provided to eligible Medicaid recipients. The current  
18 procedural terminology (CPT) codes that are eligible for this  
19 reimbursement rate increase are 99468, 99469, 99471, 99472, 99475,  
20 99476, 99477, 99478, 99479, and 99480.

21       Sec. 1792. By April 30 of the current fiscal year, the  
22 department shall evaluate pharmacy encounter data through the first  
23 2 quarters of the fiscal year to determine, in consultation with  
24 the Medicaid health plans, if rates need to be recertified.

25       Sec. 1800. For the distribution of each of the pools within  
26 the \$85,000,000.00 outpatient disproportionate share hospital  
27 payment, the department shall maintain a formula for the



1 distribution of each pool based on the quality of care, cost,  
2 traditional disproportionate share hospital factors such as  
3 Medicaid utilization and uncompensated care, and any other factor  
4 that the department determines should be considered.

5       Sec. 1801. (1) From the funds appropriated in part 1 for  
6 physician services and health plan services, the department shall  
7 continue the increase to Medicaid rates for primary care services  
8 provided only by primary care providers. For the purpose of this  
9 section, a primary care provider is a physician, or a practitioner  
10 working under the personal supervision of a physician, who is  
11 either licensed under part 170 or part 175 of the public health  
12 code, 1978 PA 368, MCL 333.17001 to 333.17084 and 333.17501 to  
13 333.17556, and working as a primary care provider in general  
14 practice or board-eligible or certified with a specialty  
15 designation of family medicine, general internal medicine, or  
16 pediatric medicine, or a provider who provides the department with  
17 documentation of equivalency. Providers performing a service and  
18 whose primary practice is as a non-primary-care subspecialty is not  
19 eligible for the increase. The department shall establish policies  
20 that most effectively limit the increase to primary care providers  
21 for primary care services only.

22       (2) By March 1 of the current fiscal year, the department  
23 shall provide to the senate and house appropriations subcommittees  
24 on the department budget, the senate and house fiscal agencies, the  
25 senate and house policy offices, and the state budget office a list  
26 of medical specialties and licensed providers that were paid  
27 enhanced primary care rates in the fiscal year ending September 30,

1 2017.

2           Sec. 1802. From the funds appropriated in part 1 for hospital  
3 services and therapy, \$6,978,300.00 in general fund/general purpose  
4 revenue shall be provided as lump-sum payments to hospitals that  
5 qualified for rural hospital access payments in fiscal year 2013-  
6 2014 and that provide obstetrical care in the current fiscal year.  
7 Payment amounts shall be based on the volume of obstetrical case  
8 causes and newborn care cases for all such cases billed by each  
9 qualified hospital in the most recent year for which data is  
10 available. Payments shall be made by January 1 of the current  
11 fiscal year.

12           Sec. 1803. The department shall explore establishing a  
13 Medicaid provider type for the enrollment of providers of portable  
14 X-ray and ultrasound services to nursing home and homebound  
15 beneficiaries as "portable X-ray and ultrasound providers" under  
16 the "Michigan Department of Health and Human Services Current-  
17 Typical Provider Type Enrollment Grid", using provider language  
18 substantially similar to Medicare requirements. The department  
19 shall treat this service as a covered service. By December 1 of the  
20 current fiscal year, the department shall report to the senate and  
21 house subcommittees on the department budget, the senate and house  
22 fiscal agencies, the senate and house policy offices, and the state  
23 budget office, on the information required in this section.

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

1 veterans health care benefits or other benefits.

2       Sec. 1805. Hospitals receiving medical services payments for  
3 graduate medical education shall submit fully completed quality  
4 data to a nonprofit organization with extensive experience in  
5 collecting and reporting hospital quality data on a public website.  
6 The reporting must utilize consensus-based nationally endorsed  
7 standards that meet National Quality Forum-endorsed safe practices.  
8 The organization collecting the data must be an organization that  
9 uses severity-adjusted risk models and measures that will help  
10 patients and payers identify hospital campuses likely to have  
11 superior outcomes. The public website shall provide information to  
12 allow consumers to compare safe practices by hospital campus,  
13 including, but not limited to, perinatal care, hospital-acquired  
14 infection, and serious reportable events. Hospitals receiving  
15 medical services payments for graduate medical education shall also  
16 make their fully completed quality data available on the hospital's  
17 website. The department shall withhold 25% of a hospital's graduate  
18 medical education payment if the hospital does not submit the data  
19 to a qualifying nonprofit organization described in this section by  
20 January 1 of the current fiscal year.

21       Sec. 1806. The department shall maintain policies and  
22 procedures to govern the operations of the Michigan Medicaid health  
23 plan common formulary so that the department is able to receive  
24 fair and full public participation.

25       Sec. 1809. The department shall establish separate contract  
26 performance standards for Medicaid health plans that adhere to the  
27 requirements of section 105d of the social welfare act, 1939 PA

1 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation  
2 withhold. The determination of the performance of the 0.75%  
3 capitation withhold is at the discretion of the department but must  
4 include recognized concepts such as 1-year continuous enrollment  
5 and the HEDIS audited data. The determination of the performance of  
6 the 0.25% capitation withhold is at the discretion of the  
7 department but must include the utilization of high-value services  
8 and discouraging the utilization of low-value services.

9       Sec. 1810. The department shall enhance encounter data  
10 reporting processes and develop rules that would make each health  
11 plan's encounter data as complete as possible, provide a fair  
12 measure of acuity for each health plan's enrolled population for  
13 risk adjustment purposes, capitation rate setting, diagnosis-  
14 related group rate setting, and research and analysis of program  
15 efficiencies while minimizing health plan administrative expense.  
16 In advance of the annual rate setting development, Medicaid health  
17 plans shall be given at least 60 days to dispute and correct any  
18 discarded encounter data before rates are certified. The department  
19 shall notify each contracting Medicaid health plan of any encounter  
20 data that have not been accepted for the purposes of rate setting.

21       Sec. 1812. By June 1 of the current fiscal year, and using the  
22 most recent available cost reports, the department shall complete a  
23 report of all direct and indirect costs associated with residency  
24 training programs for each hospital that receives funds  
25 appropriated in part 1 for graduate medical education. The report  
26 shall be submitted to the house and senate appropriations  
27 subcommittees on the department budget, the house and senate fiscal

1 agencies, and the state budget office.

2       Sec. 1820. (1) In order to avoid duplication of efforts, the  
3 department shall utilize applicable national accreditation review  
4 criteria to determine compliance with corresponding state  
5 requirements for Medicaid health plans that have been reviewed and  
6 accredited by a national accrediting entity for health care  
7 services.

8       (2) The department shall continue to comply with state and  
9 federal law and shall not initiate an action that negatively  
10 impacts beneficiary safety.

11       (3) As used in this section, "national accrediting entity"  
12 means the National Committee for Quality Assurance, the URAC,  
13 formerly known as the Utilization Review Accreditation Commission,  
14 or other appropriate entity, as approved by the department.

15       Sec. 1837. The department shall continue, and expand where  
16 appropriate, utilization of telemedicine and telepsychiatry as  
17 strategies to increase access to services for Medicaid recipients  
18 in medically underserved areas.

19       Sec. 1846. From the funds appropriated in part 1 for graduate  
20 medical education, the department shall distribute the funds with  
21 an emphasis on the following health care workforce goals:

22       (a) The encouragement of the training of physicians in  
23 specialties, including primary care, that are necessary to meet the  
24 future needs of residents of this state.

25       (b) The training of physicians in settings that include  
26 ambulatory sites and rural locations.

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

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

7       Sec. 1851. From the funds appropriated in part 1 for adult  
8 home help services, the department shall allocate \$150,000.00 state  
9 general fund/general purpose revenue plus any associated federal  
10 match to develop and deploy a mobile electronic visit verification  
11 solution that shall include biometric identity verification to  
12 create administrative efficiencies, reduce error, and minimize  
13 fraud. The development of the solution shall be predicated on input  
14 from the results of the 2017 stakeholder survey.

15       Sec. 1855. From the funds appropriated in part 1 for program  
16 of all-inclusive care for the elderly (PACE), to the extent that  
17 funding is available in the PACE line item and unused program slots  
18 are available, the department may do the following:

19       (a) Increase the number of slots for an already-established  
20 local PACE program if the local PACE program has provided  
21 appropriate documentation to the department indicating its ability  
22 to expand capacity to provide services to additional PACE clients.

23       (b) Suspend the 10 member per month individual PACE program  
24 enrollment increase cap in order to allow unused and unobligated  
25 slots to be allocated to address unmet demand for PACE services.

26       Sec. 1856. (1) The funds appropriated in part 1 for hospice  
27 services shall be expended to provide room and board for Medicaid

1 recipients who meet hospice eligibility requirements and receive  
2 services at Medicaid enrolled hospice residences in this state. The  
3 qualifying hospice residences must have been enrolled with Medicaid  
4 by October 1, 2014. The department and a representation of eligible  
5 recipients shall form a workgroup to determine how to better  
6 streamline the current payment methodology while ensuring fiscal  
7 accountability by January 1, 2018.

8 (2) By September 15 of the current fiscal year, qualifying  
9 hospice residences receiving funds under this section shall submit  
10 to the department, the senate and house appropriations  
11 subcommittees on the department budget, the senate and house fiscal  
12 agencies, and the state budget office a report that includes, but  
13 is not limited to, all of the following:

- 14 (a) The number of patients served.
- 15 (b) The number of days served.
- 16 (c) The total cost of services provided.
- 17 (d) The per patient cost of services provided.
- 18 (e) The number of patients who did not receive care.

19 (3) At the end of the current fiscal year, any unexpended  
20 funds shall lapse back to the general fund.

21 Sec. 1857. By July 1 of the current fiscal year, the  
22 department shall explore the implementation of a managed care long-  
23 term support service program and report to the senate and house  
24 subcommittees on the department budget, the senate and house fiscal  
25 agencies, the senate and house policy offices, and the state budget  
26 office on all of the following:

- 27 (a) A proposed program structure for the implementation of a

1 statewide managed care long-term support service program.

2 (b) A timeline for expanding the program into the remaining 6  
3 prosperity regions within the state.

4 (c) Cost broken down by fund source.

5 (d) Any barriers or obstacles to the implementation of the  
6 proposed program.

7 Sec. 1858. By April 1 of the current fiscal year, the  
8 department shall report to the senate and house appropriations  
9 subcommittees on the department budget and the senate and house  
10 fiscal agencies on all of the following elements related to the  
11 current Medicaid pharmacy carve-out of pharmaceutical products as  
12 provided for in section 109h of the social welfare act, 1939 PA  
13 280, MCL 400.109h:

14 (a) The number of prescriptions paid by the department during  
15 the previous fiscal year and for the fiscal year ending September  
16 30, 2017.

17 (b) The total amount of expenditures for prescriptions paid by  
18 the department during the previous fiscal year and for the fiscal  
19 year ending September 30, 2017.

20 (c) The number of and total expenditures for prescriptions  
21 paid for by the department for generic equivalents during the  
22 previous fiscal year and for the fiscal year ending September 30,  
23 2017.

24 Sec. 1859. The department shall partner with the Michigan  
25 Association of Health Plans (MAHP) and Medicaid health plans to  
26 develop and implement strategies for the use of information  
27 technology services for Medicaid research activities. The



1 department shall make available state medical assistance program  
2 data, including Medicaid behavioral data, to MAHP and Medicaid  
3 health plans or any vendor considered qualified by the department  
4 for the purpose of research activities consistent with this state's  
5 goals of improving health; increasing the quality, reliability,  
6 availability, and continuity of care; and reducing the cost of care  
7 for the eligible population of Medicaid recipients.

8       Sec. 1860. By March 1 of the current fiscal year, the  
9 department shall provide a report to the senate and house  
10 appropriations subcommittees, the senate and house fiscal agencies,  
11 and the state budget office on uncollected co-pays and deductibles  
12 in the Healthy Michigan plan. The report shall include information  
13 on the number of participants who have not paid their co-pays and  
14 deductibles, the total amount of uncollected co-pays and  
15 deductibles, and steps taken by the department and health plans to  
16 ensure greater collection of co-pays and deductibles.

17       Sec. 1861. From the funds appropriated in part 1 for  
18 transportation, the department shall increase the number of  
19 counties in which a local public transportation entity is the  
20 primary administrator of the Medicaid nonemergency transportation  
21 benefit. The department shall use a nonprofit transportation  
22 brokerage already operating in the state to carry out the  
23 requirements of this section. The purpose of this expansion is to  
24 improve Medicaid beneficiary access to care, reduce the number of  
25 missed physician appointments by Medicaid beneficiaries, and reduce  
26 time spent by caseworkers facilitating nonemergency transportation  
27 for Medicaid beneficiaries. Performance goals include an increase

1 in utilization of local public transportation, a reduction in the  
2 rate of trips reported as missed to no more than 0.5%, and the  
3 successful collection of data on program utilization, access, and  
4 beneficiary satisfaction.

5 Sec. 1862. From the funds appropriated in part 1, the  
6 department shall maintain payment rates for Medicaid obstetrical  
7 services at 95% of Medicare levels effective October 1, 2014.

8 Sec. 1866. (1) From the funds appropriated in part 1 for  
9 hospital services and therapy and healthy Michigan plan,  
10 \$19,000,000.00 in general fund/general purpose revenue and any  
11 associated federal match shall be awarded as rural access payments  
12 to hospitals that meet criteria established by the department for  
13 services to low-income rural residents.

14 (2) No hospital or hospital system shall receive more than  
15 10.0% of the total funding referenced in subsection (1).

16 (3) To allow hospitals to understand their rural payment  
17 amounts under this section, the department shall provide hospitals  
18 with the methodology for distribution under this section and  
19 provide each hospital with its applicable data that are used to  
20 determine the payment amounts by August 1 of the current fiscal  
21 year. The department shall publish the distribution of payments for  
22 the current fiscal year and the immediately preceding fiscal year.

23 Sec. 1867. (1) The department shall continue a workgroup that  
24 includes psychiatrists, other relevant prescribers, and pharmacists  
25 to identify best practices and to develop a protocol for  
26 psychotropic medications. Any changes proposed by the workgroup  
27 shall protect a Medicaid beneficiary's current psychotropic

1 pharmaceutical treatment regimen by not requiring a physician  
2 currently prescribing any treatment to alter or adjust that  
3 treatment.

4 (2) By March 1 of the current fiscal year, the department  
5 shall provide the workgroup's recommendations to the senate and  
6 house appropriations subcommittees on the department budget, the  
7 senate and house fiscal agencies, and the state budget office.

8 Sec. 1870. (1) From the funds appropriated in part 1 for  
9 hospital services and therapy, the department shall appropriate  
10 \$5,000,000.00 in general fund/general purpose revenue plus any  
11 contributions from public entities, up to \$5,000,000.00, and any  
12 associated federal match to the MiDocs consortium to create new  
13 primary care residency slots in underserved communities. The new  
14 primary care residency slots must be in 1 of the following  
15 specialties: family medicine, general internal medicine, general  
16 pediatrics, OB-GYN, psychiatry, or general surgery.

17 (2) The department shall apply to CMS for any necessary waiver  
18 to allow the department to implement the program described in this  
19 section.

20 (3) Assistance with repayment of medical education loans, loan  
21 interest payments, or scholarships provided by MiDocs shall be  
22 contingent upon a minimum 2-year commitment to practice in an  
23 underserved community in this state post-residency and an agreement  
24 to forego any sub-specialty training for at least 2 years post-  
25 residency.

26 (4) The MiDocs consortium shall allow psychiatric residency  
27 slots to be used for the student outreach services grant program.

1           (5) The department shall create a MiDocs initiative advisory  
2 council to help support implementation of the program described in  
3 this section, and provide oversight. The advisory council shall be  
4 composed of the MiDocs consortium, the Michigan Area Health  
5 Education Centers, the Michigan Primary Care Association, the  
6 Michigan Center for Rural Health, the Michigan Academy of Family  
7 Physicians, and any other appointees designated by the department.

8           (6) By September 1 of the current fiscal year, MiDocs shall  
9 report to the senate and house appropriations subcommittees on the  
10 department budget, the senate and house fiscal agencies, the senate  
11 and house policy offices, and the state budget office, on the  
12 following:

13           (a) Audited financial statement of per-resident costs.

14           (b) Education and clinical quality data.

15           (c) Roster of trainees, including areas of specialty and  
16 locations of training.

17           (d) Medicaid revenue by training site.

18           (7) Outcomes and performance measures for this program  
19 include, but are not limited to, the following:

20           (a) Increasing this state's ability to recruit, train, and  
21 retain primary care physicians in underserved communities.

22           (b) Maximizing training opportunities with community health  
23 centers, rural critical access hospitals, solo or group private  
24 practice physician practices, schools, and other community-based  
25 clinics, in addition to required rotations at inpatient hospitals.

26           (c) Increasing the number of residency slots for family  
27 medicine, general internal medicine, general pediatrics, OB-GYN,

1 psychiatry, and general surgery.

2       Sec. 1873. From the funds appropriated in part 1 for long-term  
3 care services, the department may allocate up to \$3,700,000.00 for  
4 the purpose of outreach and education to nursing home residents and  
5 the coordination of housing in order to move out of the facility.  
6 In addition, any funds appropriated shall be used for other quality  
7 improvement activities of the program. The department shall  
8 consider working with the Area Agencies on Aging Association of  
9 Michigan, the non-Area Agencies on Aging waivers, and the  
10 Disability Network/Michigan to develop a plan for the ongoing  
11 sustainability of the nursing facility transition initiative.

12       Sec. 1874. The department shall ensure, in counties where  
13 program of all-inclusive care for the elderly or PACE services are  
14 available, that the program of all-inclusive care for the elderly  
15 (PACE) is included as an option in all options counseling and  
16 enrollment brokering for aging services and managed care programs,  
17 including, but not limited to, Area Agencies on Aging, centers for  
18 independent living, and the MiChoice home and community-based  
19 waiver. Such options counseling must include approved marketing and  
20 discussion materials.

21       Sec. 1875. (1) The department and its contractual agents may  
22 not subject Medicaid prescriptions to prior authorization  
23 procedures during the current fiscal year if that drug is carved  
24 out or is not subject to prior authorization procedures as of May  
25 9, 2016, and is generally recognized in a standard medical  
26 reference or the American Psychiatric Association's Diagnostic and  
27 Statistical Manual for the Treatment of a Psychiatric Disorder.

1           (2) The department and its contractual agents may not subject  
2 Medicaid prescriptions to prior authorization procedures during the  
3 current fiscal year if that drug is carved out or is not subject to  
4 prior authorization procedures as of May 9, 2016 and is a  
5 prescription drug that is generally recognized in a standard  
6 medical reference for the treatment of human immunodeficiency virus  
7 or acquired immunodeficiency syndrome, epilepsy or seizure disorder  
8 or organ replacement therapy.

9           (3) As used in this section, "prior authorization" means a  
10 process implemented by the department or its contractual agents  
11 that conditions, delays, or denies delivery or particular pharmacy  
12 services to Medicaid beneficiaries upon application of  
13 predetermined criteria by the department or its contractual agents  
14 to those pharmacy services. The process of prior authorization  
15 often requires that a prescriber do 1 or both of the following:

16           (a) Obtain preapproval from the department or its contractual  
17 agents before prescribing a given drug.

18           (b) Verify to the department or its contractual agents that  
19 the use of a drug prescribed for an individual meets predetermined  
20 criteria from the department or its contractual agents for a  
21 prescription drug that is otherwise available under the Medicaid  
22 program in this state.

23           Sec. 1878. By March 1 of the current fiscal year, the  
24 department shall provide a report to the senate and house  
25 appropriations subcommittees on the department budget, the senate  
26 and house fiscal agencies, the senate and house policy offices, and  
27 the state budget office on hepatitis C tracking data. At a minimum,

1 the report shall include information on the following for  
2 individuals treated with Harvoni or any other treatment used to  
3 cure hepatitis C during the current fiscal year or a previous  
4 fiscal year:

5 (a) The total number of people treated broken down by those  
6 treated through traditional Medicaid and those treated through the  
7 Healthy Michigan plan.

8 (b) The total cost of treatment.

9 (c) The total cost of treatment broken down by those treated  
10 through traditional Medicaid and those treated through the Healthy  
11 Michigan plan.

12 (d) The cure rate broken down by Metavir Score, genotype,  
13 Medicaid match rate, and drug used during treatment.

14 (e) The reinfection rate broken down by Metavir Score,  
15 genotype, Medicaid match rate, and drug used during treatment.

16 Sec. 1882. By December 31 of the current fiscal year, the  
17 department shall report to the senate and house appropriations  
18 subcommittees on the department budget, the senate and house fiscal  
19 agencies, and the state budget office, documentation of the  
20 expenses incurred during the immediate preceding fiscal year by  
21 Medicaid health plans and PIHPs for the purpose of meeting the  
22 contractual requirements to join the Michigan Health Information  
23 Network Shared Services and incentivizing providers to become  
24 members of the Health Information Exchange Qualified Organization.  
25 The report should also include an estimation of the expenses to be  
26 incurred in the current fiscal year by Medicaid health plans and  
27 PIHPs for the same purpose of meeting their contractual

1 obligations.

2       Sec. 1888. The department shall establish contract performance  
3 standards associated with the capitation withhold provisions for  
4 Medicaid health plans at least 3 months in advance of the  
5 implementation of those standards. The determination of whether  
6 performance standards have been met shall be based primarily on  
7 recognized concepts such as 1-year continuous enrollment and the  
8 healthcare effectiveness data and information set, HEDIS, audited  
9 data.

10       Sec. 1894. (1) By July 1 of the current fiscal year, the  
11 department shall provide a report to the senate and house  
12 appropriations subcommittees on the department budget, the senate  
13 and house fiscal agencies, and the state budget office on outcomes  
14 and performance measures of the Healthy Kids Dental program.

15       (2) Outcomes and performance measures for the Healthy Kids  
16 Dental program include, but are not limited to, the following:

17       (a) The number of children enrolled in the Healthy Kids Dental  
18 program who visited the dentist during the previous fiscal year.

19       (b) The number of dentists who will accept payment from the  
20 Healthy Kids Dental program.

21       (c) The annual change in dental utilization of children  
22 enrolled in the Healthy Kids Dental program.

### 23 INFORMATION TECHNOLOGY

24       Sec. 1901. (1) The department shall provide a quarterly report  
25 to the senate and house appropriations subcommittees on the  
26 department budget, the senate and house fiscal agencies, the senate



1 and house policy offices, and the state budget office all of the  
2 following information:

3 (a) The process used to define requests for proposals for each  
4 expansion of information technology projects, including timelines,  
5 project milestones, and intended outcomes.

6 (b) If the department decides not to contract the services out  
7 to design and implement each element of the information technology  
8 expansion, the department shall submit its own project plan that  
9 includes, at a minimum, the requirements in subdivision (a).

10 (c) A recommended project management plan with milestones and  
11 time frames.

12 (d) The proposed benefits from implementing the information  
13 technology expansion, including customer service improvement, form  
14 reductions, potential time savings, caseload reduction, and return  
15 on investment.

16 (e) Details on the implementation of the integrated service  
17 delivery project, and the progress toward meeting the outcomes and  
18 performance measures listed in section 1507(2).

19 (2) Once an award for an expansion of information technology  
20 is made, the department shall report to the senate and house  
21 appropriations subcommittees on the department budget, the senate  
22 and house fiscal agencies, the senate and house policy offices, and  
23 the state budget office a projected cost of the expansion broken  
24 down by use and type of expense.

25 Sec. 1902. From the funds appropriated in part 1 for the  
26 Michigan Medicaid information system (MMIS) line item, private  
27 revenue may be received from and allocated for other states

1 interested in participating as part of the broader MMIS initiative.  
2 By March 1 of the current fiscal year, the department shall provide  
3 a report on the use of MMIS by other states for the previous fiscal  
4 year, including a list of states, type of use, and revenue and  
5 expenditures related to the agreements with the other states to use  
6 the MMIS. The report shall be provided to the house and senate  
7 appropriations subcommittees on the department budget, the house  
8 and senate fiscal agencies, and the state budget office.

9       Sec. 1903. (1) The department shall report to the senate and  
10 house appropriations subcommittees on the department budget, the  
11 senate and house fiscal agencies, the senate and house policy  
12 offices, and the state budget office by November 1 of the current  
13 fiscal year an implementation plan regarding the appropriation in  
14 part 1 to implement the MiSACWIS. The plan shall include, but not  
15 be limited to, efforts to bring the system in compliance with the  
16 settlement and other federal guidelines set forth by the United  
17 States Department of Health and Human Services Administration for  
18 Children and Families.

19       (2) The department shall report to the senate and house  
20 appropriations subcommittees on the department budget, the senate  
21 and house fiscal agencies, the senate and house policy offices, and  
22 the state budget office by November 1 of the current fiscal year a  
23 status report on the planning, implementation, and operation,  
24 regardless of the current operational status, regarding the  
25 appropriation in part 1 to implement the MiSACWIS. The report shall  
26 provide details on the planning, implementation, and operation of  
27 the system, including, but not limited to, all of the following:

- 1 (a) Areas where implementation went as planned.
- 2 (b) The number of known issues.
- 3 (c) The average number of help tickets submitted per day.
- 4 (d) Any additional overtime or other staffing costs to address  
5 known issues and volume of help tickets.
- 6 (e) Any contract revisions to address known issues and volume  
7 of help tickets.
- 8 (f) Other strategies undertaken to improve implementation.
- 9 (g) Progress developing cross-system trusted data exchange  
10 with MiSACWIS.
- 11 (h) Progress in moving away from a statewide/tribal automated  
12 child welfare information system (SACWIS/TACWIS) to a comprehensive  
13 child welfare information system (CCWIS).
- 14 (i) Progress developing and implementing a program to monitor  
15 data quality.
- 16 (j) Progress developing and implementing custom integrated  
17 systems for private agencies and tribal governments.
- 18 (k) A list of all change orders, planned or in progress.
- 19 (l) The status of all change orders, planned or in progress.
- 20 (m) The estimated costs for all planned change orders.
- 21 (n) The estimated and actual costs for all change orders in  
22 progress.

23 Sec. 1904. (1) From the funds appropriated in part 1 for  
24 information technology services and projects, the department shall  
25 make child care fund reimbursements to counties for undisputed  
26 charges within 45 business days of the receipt of the required  
27 forms and documentation. The department shall notify a county

1 within 15 business days of a disputed reimbursement request. The  
2 department shall reimburse for corrected charges within 45 business  
3 days of a properly corrected submission.

4 (2) From the funds appropriated in part 1 for information  
5 technology services and projects, by October 1 of the current  
6 fiscal year, the department shall make the appropriate information  
7 technology modifications to MiSACWIS to meet the requirements  
8 described in section 117a(4)(a) of the social welfare act, 1939 PA  
9 280, MCL 400.117a.

10 **ONE-TIME BASIS ONLY APPROPRIATIONS**

11 Sec. 1905. (1) From the funds appropriated in part 1 for the  
12 drinking water declaration of emergency, the department shall  
13 allocate funds to address needs in a city in which a declaration of  
14 emergency was issued because of drinking water contamination. These  
15 funds may support, but are not limited to, the following  
16 activities:

17 (a) Nutrition assistance, nutritional and community education,  
18 food bank resources, and food inspections.

19 (b) Epidemiological analysis and case management of  
20 individuals at risk of elevated blood lead levels.

21 (c) Support for child and adolescent health centers,  
22 children's healthcare access program, and pathways to potential  
23 programming.

24 (d) Nursing services, breastfeeding education, evidence-based  
25 home visiting programs, intensive services, and outreach for  
26 children exposed to lead coordinated through local community mental

1 health organizations.

2 (e) Department field operations costs.

3 (f) Lead poisoning surveillance, treatment, and abatement.

4 (g) Nutritional incentives provided to local residents through  
5 the Double Up Food Bucks Expansion Program.

6 (h) Genesee County health department food inspectors to  
7 perform water testing at local food service establishments.

8 (2) From the funds appropriated in part 1 for the drinking  
9 water declaration of emergency, the department shall allocate  
10 \$500,000.00 to the Children's Health Access Program (CHAP).

11 (3) From the funds appropriated in part 1 for the drinking  
12 water declaration of emergency, the department shall not allocate  
13 any funding to the Flint Continuation of Michigan Child  
14 Collaborative Care program or the Parents as Teacher program.

15 (4) From the funds appropriated in part 1 for the drinking  
16 water declaration of emergency, the department shall allocate  
17 \$168,000.00 to C.S. Mott Community College for the expense of  
18 hydration stations incurred due to the drinking water declaration  
19 of emergency.

20 (5) From the funds appropriated in part 1 for the drinking  
21 water declaration of emergency, the department shall allocate  
22 \$167,000.00 to C.S. Mott Community College for water testing  
23 expenses incurred due to the drinking water declaration of  
24 emergency.

25 Sec. 1907. From the funds appropriated in part 1 for child  
26 lead poisoning elimination board, the department shall implement  
27 recommendations of the board offered in the board's report of

1 November 2016. The recommendations implemented by the department  
2 under this section shall be based in science and best practices,  
3 and the department shall give priority to the implementation of the  
4 recommendations that are most in agreement with recommendations of  
5 nationally recognized organizations and authorities.

6       Sec. 1912. From funds appropriated in part 1 for infant  
7 mortality program grant, the department shall appropriate  
8 \$100,000.00 to a multi-agency community initiative led by a  
9 nonprofit organization organized under the laws of this state that  
10 is exempt from federal income tax under section 501(c)(3) of the  
11 internal revenue code of 1986, 26 USC 501, and is located in a  
12 county with a population between 250,000 and 251,000 according to  
13 the most recent decennial census. To be eligible to receive  
14 funding, the organization must have stated goals of ensuring health  
15 equity of programs, policies, and providers; building a perinatal  
16 home visitation network; promoting and educating about infant safe-  
17 sleep programs; and providing reproductive health education and  
18 support.

19       Sec. 1913. (1) The department shall spend available work  
20 project revenue and any associated federal matching funds to  
21 continue the implementation of the direct primary care pilot  
22 program as specified in section 1407 of 2017 PA 158.

23       (2) On a quarterly basis, the department shall report to the  
24 senate and house appropriations subcommittees on the department  
25 budget, the senate and house fiscal agencies, the senate and house  
26 policy offices, and the state budget office on the implementation  
27 of the direct primary care pilot program under section 1407 of 2017

1 PA 158 and this section. The report shall include, but not be  
2 limited to, the following performance metrics:

3 (a) The number of enrollees in the pilot program by  
4 eligibility category.

5 (b) The per-member-per-month rate paid in the previous fiscal  
6 year per eligibility category.

7 (c) The number of claims paid in the previous fiscal year per  
8 eligibility category.

9 (d) The number of claims per category weighted to reflect 400  
10 enrollees.

11 (e) The dollar value of all claims per eligibility category.

12 (f) The per-member-per-month actual cost. As used in this  
13 subsection, "per-member-per-month actual cost" means the direct  
14 primary care plan costs and any managed care costs not covered  
15 through the direct primary care plan, including managed care  
16 provider overhead costs.

17 (g) The average direct primary care cost per enrollee per  
18 eligibility category.

19 (h) The average number of actual claims per eligibility  
20 category.

21 (i) The average actual dollar value of claims per eligibility  
22 category.

23 (j) The number of enrollees in the pilot program during the  
24 previous quarter who are no longer eligible for Medicaid in the  
25 current quarter, broken down by eligibility category.

26 (k) The category savings subtotal. As used in this  
27 subdivision, "category savings subtotal" means the per-member-per-

1 month rate paid in fiscal year 2016-2017 minus the per-member-per-  
2 month actual cost, times the number of enrollees in the eligibility  
3 category.

4 (l) The total savings. As used in this subdivision, "total  
5 savings" means the per-member-per-month rate paid in the previous  
6 fiscal year minus the per-member-per-month actual cost, times the  
7 total number of enrollees in the program.

8 Sec. 1914. From the funds appropriated in part 1 for primary  
9 care and dental health services, \$100.00 shall be allocated for  
10 primary care clinic and dental health clinic services for indigent  
11 individuals to be provided in clinic locations in the city of  
12 Detroit and Wayne County by a public nonprofit organization with a  
13 stated mission of providing medical, behavioral, and mental health  
14 services, as well as other related support services, to underserved  
15 populations in Detroit, Wayne County, surrounding counties, and  
16 throughout Michigan.

17 Sec. 1915. From funds appropriated in part 1 for primary care  
18 hospital grant, the department shall make a grant of \$200,000.00 to  
19 support a hospital that qualifies for rural hospital access  
20 payments and is located in a county with a population between  
21 135,000 and 140,000 according to the most recent federal decennial  
22 census.

23 Sec. 1916. From the funds appropriated in part 1 for refugee  
24 assistance grant, the department shall allocate \$175,000.00 to a  
25 nonprofit corporation organized under the laws of this state that  
26 is exempt from federal income tax under section 501(c)(3) of the  
27 internal revenue code of 1986, 26 USC 501, to operate an initiative



1 to transition low-income refugee families to self-sufficiency. To  
2 be eligible to receive funding, the organization must have a stated  
3 core purpose of providing programs that guide support, and empower  
4 individuals to achieve self-sufficiency with dignity and hope. This  
5 initiative must utilize a measurable, evidence-based approach that  
6 integrates treatment for poverty across health care, human  
7 services, educational, faith-based, and governmental programs. The  
8 organization receiving funds under this section must report to the  
9 department by September 30 of the current fiscal year on metrics  
10 used to measure the success and viability of the initiative.

11 Sec. 1917. (1) From the funds appropriated in part 1 for  
12 autism train the trainer grant, the department shall appropriate  
13 \$100.00 to implement a pilot project to train school employees on  
14 the principles and practices of applied behavior analysis and  
15 research-based intervention strategies. The pilot project must do  
16 both of the following:

17 (a) Train paraprofessionals and teachers in a school district  
18 with a headquarters located in a city with a population between  
19 6,900 and 7,000 according to the most recent federal decennial  
20 census in applied behavior analysis skills that match the national  
21 standard for behavior technician-level work and research-based  
22 intervention strategies.

23 (b) Train teacher consultants, school social workers, school  
24 psychologists, and other school personnel responsible for  
25 conducting functional behavioral assessments and the development of  
26 behavior support plans in a school district with a headquarters  
27 located in a city with a population between 6,900 and 7,000

1 according to the most recent federal decennial census methods for  
2 assuring implementation of a behavior plan with fidelity and  
3 strategies for sharing understanding of evidence-based behavioral  
4 health approaches with other school-based personnel.

5 (2) Outcomes and performance measures for the pilot project  
6 funded under this section shall include, but not be limited to, the  
7 following:

8 (a) A decrease in the number of center-program and self-  
9 contained-classroom referrals.

10 (b) A decrease in the number of suspensions, removals, and  
11 expulsions.

12 (c) A decrease in paraprofessional absences.

13 (d) An increase in teacher retention.

14 (e) An increase in safety.

15 (3) By September 1 of the current fiscal year, the department  
16 shall report to the senate and house appropriations subcommittees  
17 on the department budget, the senate and house fiscal agencies, the  
18 senate and house policy offices, and the state budget office on the  
19 information required in subsection (2).

20 Sec. 1918. (1) From the funds appropriated in part 1 for  
21 veterans' in-home services pilot, the department shall appropriate  
22 \$100.00 to create a pilot project, in conjunction with a third-  
23 party vendor, to provide a community-based care management program  
24 to veterans. The pilot program shall include both of the following  
25 initiatives:

26 (a) A health care initiative to provide to veterans increased  
27 access to health care resources through the care coordination

1 efforts of community health workers.

2 (b) A workforce initiative to recruit and train unemployed and  
3 underemployed veterans as community health workers for the health  
4 care initiative described in subdivision (a).

5 (2) The vendor selected under subsection (1) must be located  
6 in a county with a population between 600,000 and 605,000 according  
7 to the most recent federal decennial census, and have experience in  
8 providing health care to veterans and providing community-based  
9 care management programs.

10 (3) By July 1 of the current fiscal year, the department shall  
11 report to the senate and house appropriations subcommittees on the  
12 department budget, the senate and house fiscal agencies, the senate  
13 and house policy offices, and the state budget office on both of  
14 the following:

15 (a) The specific ways in which the pilot project's health care  
16 initiative provided to veterans has increased access to health care  
17 resources.

18 (b) The total number of unemployed and underemployed veterans  
19 who were recruited and trained as community health workers under  
20 the pilot project's workforce initiative.

21 Sec. 1919. (1) The funds appropriated in part 1 for employment  
22 first are appropriated to support the objectives stated in  
23 Executive Order No. 2015-15.

24 (2) The department shall use the funds to provide consultation  
25 and technical assistance to support best practices to increase  
26 competitive integrated employment for people with disabilities in  
27 areas such as statewide capacity building of professionals

1 providing job preparation, placement, and retention supports and  
2 services; provider transformation among community rehabilitation  
3 organizations; rate restructuring of employment supports and  
4 services; blending and braiding of resources; seamless transition  
5 outcomes from education to employment; employer engagement;  
6 education and outreach to clients and their families, including  
7 information on benefits coordination and planning; and other  
8 systemic change activities leading to competitive integrated  
9 employment.

10       Sec. 1920. (1) From the funds appropriated in part 1 for  
11 autism navigator, the department shall require any contractor  
12 receiving funds from this line item to comply with performance-  
13 related metrics to maintain eligibility for funding. The  
14 organizational metrics shall include, but not be limited to, all of  
15 the following:

16       (a) Each contractor shall have accreditations that attest to  
17 their competency and effectiveness in providing services.

18       (b) Each contractor shall demonstrate cost-effectiveness.

19       (c) Each contractor shall ensure their ability to leverage  
20 private dollars to strengthen and maximize service provision.

21       (d) Each contractor shall provide quarterly reports to the  
22 department regarding the number of clients served, units of service  
23 provision, and ability to meet their stated goals.

24       (2) The department shall require an annual report from any  
25 contractor receiving funding from the autism navigator line item.  
26 The annual report, due to the department 60 days following the end  
27 of the contract period, shall include specific information on

1 services and programs provided, the client base to which the  
2 services and programs were provided, and the expenditures for those  
3 services. The department shall provide the annual reports to the  
4 senate and house appropriations subcommittees on the department  
5 budget, the senate and house fiscal agencies, and the state budget  
6 office.

7 (3) From the funds appropriated in part 1 for autism  
8 navigator, the department shall fund an independent evaluation of  
9 the services provided by contractors paid from the autism navigator  
10 line item in fiscal year 2017-2018. This evaluation, which shall  
11 examine cost effectiveness of services, avoidance of duplication of  
12 services, and outcomes, shall be completed by June 1 of the current  
13 fiscal year and shall be provided to the senate and house  
14 appropriations subcommittees on the department budget, the senate  
15 and house fiscal agencies, and the state budget office.

16 Sec. 1921. (1) From the funds appropriated in part 1 for  
17 cloud-based analytics platform, the department shall allocate  
18 \$100.00 of general fund/general purpose revenue and any associated  
19 federal match toward the implementation and use of a cloud-based  
20 analytics platform for Medicaid claims to identify areas of best  
21 practice, cost reduction, opportunities for quality improvement,  
22 and comparative cost analysis among providers, hospitals, and  
23 managed care organizations. The analytics platform shall include  
24 the ability to adjust for variations in patient risk and acuity  
25 differences when comparing performance across regions and  
26 hospitals. The analytics platform shall provide data analysis on,  
27 but not be limited to, readmission rates, mortality, complication

1 rates, and total episode costs, including pre- and post-discharge  
2 costs, across high-volume acute episodes of care.

3 (2) The contracted organization awarded funding shall identify  
4 a methodology to identify and measure savings associated with the  
5 use of the analytics platform.

6 PART 2A

7 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

8 FOR FISCAL YEAR 2019-2020

9 **GENERAL SECTIONS**

10 Sec. 2001. It is the intent of the legislature to provide  
11 appropriations for the fiscal year ending on September 30, 2020 for  
12 the line items listed in part 1. The fiscal year 2019-2020  
13 appropriations are anticipated to be the same as those for fiscal  
14 year 2018-2019, except that the line items will be adjusted for  
15 changes in caseload and related costs, federal fund match rates,  
16 economic factors, and available revenue. These adjustments will be  
17 determined after the January 2019 consensus revenue estimating  
18 conference.