

## **Index of Documents**

### **Michigan Long-Term Care Supports and Services Advisory Commission Meeting of March 30, 2009 Lansing, MI**

- Agenda, Monday, March 30, 2009
- PowerPoint – Create Single Point of Entry Agencies for Consumers
- Logic Model: Recommendation Three: Create Single Point of Entry Agencies for Consumers
- Project Action Teams (PAT) Participants and PAT & Commission Workgroup Meetings
- Create SPEs
- Single Point of Entry Expansion Timeline
- Person Centered Planning Principals/characteristics
- Draft letter to Director Olszewski re PCP
- State of Michigan Definition, Core Values/Principles and Essential Elements of Person Centered Planning Process for Long Term Care Supports & Services, Settings and Programs
- Newsmaker Friday: What about a Proposal to Swap M.B.T. for Graduated Income Tax?
- Tax Credit Bill Senate Passed Contained Inadvertent \$2.6B Tax Cut

MICHIGAN LONG TERM CARE SUPPORTS & SERVICES  
ADVISORY COMMISSION  
MONDAY, March 30, 2009 FROM 10:00 – 4:00  
AGENDA

**I. 10:00 p.m. Organizing Ourselves**

- A. Introductions/Roll Call
- B. Review & Approval of November 24, 2008 Minutes
- C. Review of January '09 Retreat & Business Session Notes
- D. Review & Approval of March Agenda
- E. Chair's Report & Meeting Framing – Commission Leadership Updates and Post-Retreat World in Motion

**II. 10:15 P.M. What's Happening: America's Top Logic Models**

- A. Single Point Entry Recommendation Logic Model Briefing & Review *[OLTCSS Project Action Team Lead, Nora Barkey]*
- B. Array of Supports & Services Logic Model Briefing & Birthing *[OLTCSS Project Action Team Lead, Jane Church]*
- C. Public Comment – Round 1 if Time Allows

**NOON: LUNCH BREAK**

**III. 1:00 P.M. What Else is Happening: Who Knows? No LTC Intel Left Behind While Getting up to Speed**

- A. Public Comment – Round 2 if Public Interest is Present
- B. Governor's 2010 Executive Budget Proposal & Status of State Budget Appropriations for LTC *[DCH Officials]*
- C. OLTCSS Update *[Director Brey & Co.]*
  - 1. OLTCSS Abolition & Departmental Integration Planning -- Commission Discussion
  - 2. SPE Demonstrations Final Report Status, State Expansion Sequence & Rules Timetable Update
  - 3. News and Needs on other Office Activities

**[BREAK @ 2:30]**

**IV. 3:00 P.M. – What Needs to Happen**

- A. Commission Person Centered Planning Workgroup & Project Action Team Recommendation: Core Elements & Definitions Document for PCP Implementation Across the Array *[Workgroup Chairs & PAT Lead, Nora Barkey]*
- B. Commission Chronic Care Management/Prevention & Project Action Team Recommendation: Assistive Technology Access *[Workgroup Chairs & PAT Lead, Nora Barkey]*
- C. Come What May Commission: State Revenue Stabilization
- D. Other Workgroups Announcements & Adjournment



Modernizing Michigan Medicaid Long Term Care Task Force Final Report

Recommendation Three

## **Create Single Point of Entry Agencies for Consumers**

Nora Barkey

Michigan Department of Community Health  
Michigan Long-Term Care Supports and Services Advisory  
Commission  
March 30, 2009



## **Tools, Workers, Plans**

Logic Model Planning Tool

Project Action Team

Recommendation Three status and plans

## **TOOLS**

**logic model** is a systematic and visual way to present and share your understanding of the relationships among the activities you plan, and the changes or results you hope to achieve.

- **Goal:** a focus of accomplishment supported by a series of objectives needed to realize it.
- **Operational objective:** short-term goal whose attainment moves an organization towards achieving its strategic or long-term goal.
- **Output** the tangible products that will result from implementing the activities;
- **Outcome** the expected changes in attitudes, behaviors, knowledge, skills, status, level of function expected to result from activities which are most often expressed at an individual level. Because we are working on system, policy and the state level we are including in our definition of outcomes: changes in systems that might include improved conditions, increased capacity and/or changes in the policy arena.

## Workers

### Project Action Team for the Single Point Of Entry

Peggy Brey, Jane Alexander, Pam McNab, Jane Church, Joanne Bump, Scott Fitton, Erin Atchue, Jackie Tichnell, Bob Orme, Hollis Turnham, Andrew Farmer, Sarah Slocum, Mary Ablan, RoAnne Chaney Liz Aastad, Susan Yontz Nora Barkey

## Task Force Three included 17 strategies and 16 Benchmarks



Strategy	Implemented	Continues	Not Addressed
SPEs established in 4 areas of State	X SPEs not a Medicaid provider	X	
Perform a range of activities Information & Assistance Option Counseling Level of Care Determinations (pre-admission screening) NF Transitions Assist with financial eligibility applications Develop preliminary Support plans Participate in NF Closures Conduct Follow up	X Services available at no cost. Private pay fee structure under construction for Option Counseling, May 2009	X	
SPEs have trained staff, secure access to bilingual & culturally competent staff & interpreters	X	X	
SPEs have consumers on governing boards & consumer advisory boards OLTCS SPE field reps visiting board and CAB meetings currently	X	X	
SPEs incorporated PCP into all service functions	X	X	
Streamline LOCD process, working on improving LOCD tools & process in on-going LOCD workgroup	X SPE assessment system & process developed with standard functional screen	X	Waiver case management
Streamline MA financial eligibility application process, electronic application	X	X	Electronic application
SPEs assure Medicaid Fair Hearing through LOCD system	X	X	
SPEs are LTC resource for communities including caregivers	X on-going collaboration with community partners	X	Caregiver assessment
Formal agreement established with community partners,	X	X	Few hospitals
SPEs conduct community outreach to explain SPE functions, Bs	X	X	
Providers are required to inform consumers of SPE agency due to LOCD screen for Medicaid reimbursement purposes	X	X	
Standardized tools developed & shared among SPE sites, standardized data collection	X	X	
SPEs use an electronic database with a resource data base of services available in the regions, tracks participant encounters from assessment, through planning & follow up	X	X	
Two SPE evaluations were conducted, preliminary reports submitted to MDCH, being vetted by the dept, address whether SPEs are achieving the anticipated results	X – preliminary evaluation data used in discussion with sites regarding performance	X	
State & local Quality assurance monitoring is being conducted	X	X	
Implementing QM function, emphasizing, but not limited to measures of consumer satisfaction	X	X	



## Farther Down the Road

### Recommendation Three: Create Single Point of Entry Agencies for Consumers

Goal: SPE agencies are established statewide in every region drawing on learning's from the LTCC demonstration

Goal is summary of TF Benchmark 2 and 5 that called for evaluation and state wide implementation with 3 years

Objectives: Evaluation and Expansion

Objectives: Current Development

Objectives: System Recommendations

## Individual Need Remains

*“So every decision we made — residential, medical, financial — was a crapshoot that changed the landscape for the next decision, usually by limiting options I didn’t even realize we had.”*

~ Jane Gross, New York Times, July 7, 2008



## Outcomes Remain Consumer Focused

- Information is accurate, timely, comprehensive
- Information enables consumers to make informed choices
- Staff are adequately trained to provide options counseling
- Consumer decision tools help consumers make informed choices and plan for the future
- Consumers make decisions that maximize their independence
- Service Delivery is cost effective



## Partnership Need Remains

Moving from experts working in isolation....  
to partnership, co-location, coordination, routine  
communication, cross-training

Moving from focus on eligibility and offering set menu of services .....  
to a proactive consumer-oriented approach, intensive outreach  
to individuals of all ages and income levels, comprehensive options  
counseling



**Goal: SPE agencies are established statewide in every region drawing on learning's from the LTCC demonstration**

• **Evaluation and Expansion Objectives:**

- Renew and Build stakeholder support based on Demonstration success and outcomes
- Governor and Department continued efforts for legislative action and support for expansion of SPE
- Implementation plan and Decision to continue funding/expand
- Implement Expansion
- SPE agencies established throughout the state within three years from the issuance of the Task Force report. **TF Report Benchmark #2**

**Evaluation and Expansion Objectives:**

Decision and Implementation plan to continue funding/expand



Activities:

- OLTCCSS PAT and Commission develop logic model/ plan for expansion
- Evaluation results shared internally for DCH decision on expansion.
- The SPE PAT will use evaluation results to develop expansion
- Coordinate with Project 2020 through SPE PAT planning process
- Determine costs and capacity needs for state wide service.
- Create plan for administrative rule development
- PAT develop expansion recommendation for Commission



**Evaluation and Expansion Objectives:**  
**Decision and Implementation plan to continue funding/expand**

PA 634 of 2006, Section 109i (15) The department of community health shall promulgate rules to implement this section not later than 270 days after submitting the report required in subsection 13

Activities:

- Create plan for administrative rule development
- Submit Request for Rulemaking
- Draft rules
- Route Internally for Approval
- Submit Draft rules to SOAHR
- Public hearings
- Revise based on public input
- Submit to JCAR



**Evaluation and Expansion Objectives:**  
**Renew and Build Stakeholder support and Governor and Department support**

Activities:

- Evaluation results shared externally
- Work with Public Education workgroup
- Legislative communication plan

Outputs:

- Press release
- LTC Planning materials include PCP and SPE

Outcomes

Stakeholders support expansion

Individuals across the state have access to unbiased information and assistance, options counseling and independent functional determination

**Goal: SPE agencies are established statewide in every region drawing on learning's from the LTCC demonstration**

**Objectives: Current Development**

- The director of the department of community health shall designate and maintain locally or regionally based single point of entry agencies for long-term care that shall serve as visible and effective access points for individuals seeking long-term care and that shall promote consumer choice and quality in long-term care options.

PA 634 sec 109i

**Goal: SPE agencies are established statewide in every region drawing on learning's from the LTCC demonstration**

**Objectives: Current Development**

- Meet PA 634 requirements
- Balance LTC through proactive choice counseling **TF Strategy #4**
- Make LTC Transition a function of the SPE agencies. **TF Recommendation #3, Strategy #3**

**Objective: Current Development**

Meet PA 634 requirements

**Activities:**

OLTCSS develop and conducts QM activities to assure legislative and contractual requirements are met

Make improvements in data fields and staff use of preference and/or goal setting to improve data related to unmet needs

FY2008

ACTIVITY	Oct. 07-Sept. 08
Information and Assistance	31,712
Options Counseling Cases Opened	•8,021
Nursing Facility Transitions	
•Referred to CIL	•51
•Referred to Waiver	•337
•LTCC Completed	•213
Level of Care Determinations	11,292
Resource Database Population	8,047

FY2009

ACTIVITY	Oct. 08-Feb. 09
Information and Assistance	15,365
Options Counseling Cases	
•Opened	•2,659
•Continuing	•24,066
Nursing Facility Transitions	
•LTCC Initiated	•219
•Referred to CIL	•26
•Referred to Waiver	•139
•LTCC Completed	•68
Level of Care Determinations	5,459
Resource Database Population	11,082

**Goal: SPE agencies are established statewide in every region drawing on learning's from the LTCC demonstration**

**Objectives: System Recommendations**

- SPE agencies will provide assistance to consumers in working through the eligibility application process. (TF strategy #1)
- Assessment system and process will be developed that includes a standard minimum intake screen that predicts need for the full array
- Expand advocacy process for all LTC consumers. The advocacy function needs to have a systemic approach to advocacy.



### Objective System Recommendation:

#### Eligibility application process

- **Activities:**

- Re-engineering timing workgroup MSA/OLTCSS
- Telephone Intake Guidelines study
- Waitlist review
- LOC analysis by door

### Objective System Recommendation:

#### Assessment system and process

- **Activities:**

- Develop comparison chart of data elements in existing intake and assessment tools for LTC programs in Michigan
- Increase understanding and dialogue to consider if assessment core questions could be shared by LTCC, Waiver/ NF/Home Help



Thank You for your attention and ideas

Questions?

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**LOGIC MODEL: Recommendation Three: Create Single Point of Entry Agencies for Consumers**

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<b>Objective</b> Objectives: 1, 2, 3, 4, 5 are related to expansion 6,7, 8, 9 to current service, and 10, 11, 12 to System Change	<b>Activity</b>	<b>Output</b> the tangible products that will result from implementing the activities;	<b>Outcome</b> the expected changes that will be produced from program implementation	<b>Indicator/measure</b>	<b>Responsible for/Champions/ and Time frame</b>
<b>EXPANSION</b>					
1. Decision and Implementation plan to continue funding/expand	A. DCH, or the LTC Administration, will evaluate early adopters to determine if they are achieving the anticipated results. Information gathered during this evaluation should be used in the development of other SPE agencies <b>TF Bench Mark 5</b>  B. OLTCSS PAT and Commission develop logic model/ plan for expansion  C. Evaluation results shared internally for DCH decision on expansion.	Evaluation Reports  Logic Model  Cost Analysis report  Recommendation to commission  Analysis of administrative rules options  Time line  Continued funding through fy 2010  Funding for	Individuals across the state have access to unbiased information and assistance, options counseling, independent functional determination and assistance with transition through continued funding of the SPE  DCH system change plans include SPE and its functions.  Mi’s re-organization plan utilizes SPE role and data for continued planning and service  Individuals who use ltc	SPE continuation funded for 2010  SPE is funded and expanded in 2011	A. April: Peggy Brey and Steve Fitton for DCH commitment, Nora for using information in expansion plan  B. March/Nora  C. April/ Peggy  D. May/Nora coordinate with evaluators, QM, Data

**Review and Revised Dates**

PAT date: 3.9.09

Commission Workgroup date: NA

Commission date: 3.30.09



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	Project 2020 through SPE PAT planning process  F. Determine costs and capacity needs for state wide service.  G. Create plan for administrative rule development  H. PAT develop expansion recommendation for Commission  I. Review legislative options to best support expansion model (amendment to PA 634)  J. Develop time line for activities included in this objective that				O  G. RoAnne  H. Jane C  I Nora  J. Jane A

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	includes recommendation, administrative rules, PA 634 time requirements				
2 Renew and Build stakeholder support for continuation/expansion	A. Work with Public Education workgroup on public education campaign that includes SPE, LTC Planning and PCP principles  B. Work with Public Education Commission work group to convene intergovernmental team to pursue legislative campaign  Assist PE work group to develop communication plan that includes relevant SPE activities	Press coverage  Talking Points Document  Intergovernmental team  Written communication plan  Written documents from stakeholders showing support for expansion	Public increases awareness and understanding of long term care planning  Stakeholder support for expansion  Public support for SPE  Increased participation of/collaboration among providers in processes and procedures to enhance service system satisfaction	Increase number of persons contact LTCC  Increased number documents/web sites include LTCC contact information  Written documents from stakeholders showing support for expansion  Commission recommends expansion	A. Jane C  B. Jane C

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3 Governor and Department continue efforts for legislative action and support for funding and expansion of SPE	Educate and work with DCH Legislative staff, LTCC, and others for law/amendment as needed for expansion  Develop legislative communication plan that identifies targeted legislators, talking points, and champions  Implement plan	Scheduled meetings with DCH leaders and legislative liaison and legislative staff  Communication Plan  Informational documents  List of champions	Increased number of legislators who understand and support SPE  Mi continues to include SPE in its LTC system change plans.  Increase stakeholder satisfaction with service system	Drafted legislation with legislative sponsors	
4. Implement Expansion	A. Develop RFP and funding process  B. Implement funding and contracting process	RFP Contracts	Increase number of persons throughout the state have access to long term care planning assistance	SPE service available state wide  Activity reports Cost reports continue to show impact on	A. Mary Kay  B. Pam

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			Increased and improved access to and utilization of services and supports Mi continues to include SPE in its LTC system change plans	utilization  Trends begun during pilot—increase HCB, decrease institutional—continue.	
5. SPE agencies established throughout the state within three years from the issuance of the Task Force report-  <b>TF Report Benchmark #2</b>	Complete Objectives 1-4	Demonstration projects funded through 2009 and plan for expansion developed	Mi continues to include SPE in its LTC system change plans, uses the data and money follows the person changes occur.		
CURRENT					
6. The director of the department of community health shall designate and maintain locally or regionally based single point of entry agencies for long-term care that shall serve as visible and	A. Demonstration Projects July 2006 and funded through FY 2009 with FY 2010 funding in Governor’s budget	Contracts with SPE’s.  QM review reports.  Survey results	a visible and trusted community resource that promotes personal quality of life for individuals needing long term-care supports is available		B. C Pam

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effective access points for individuals seeking long-term care and that shall promote consumer choice and quality in long-term care options.  PA 634 sec 109i	B. Quality Management workgroup plan for LTCC  C. OLTCCSS develop and conducts QM activities to assure legislative and contractual requirements are met		statewide  Individuals throughout the state have access to unbiased comprehensive assistance for planning and accessing LTC supports and services		
7. Meet PA 634 requirements	Evaluation team collects required data  QM teams monitors and reports	Contracts with SPE's.  QM review reports.  Survey results	Individuals are assisted in using a person-centered planning process to set goals, make choices, and plan services in line with their individual strengths, preferences, needs and resources.  Access to services is	Use ADRC fully functioning parameters to measure  Consumer experience surveys  Activity reports  Cost reports	Pam

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			simplified and streamlined.  Quality improvement is based on customer feedback		
	Make improvements in data fields and staff use of preference and/or goal setting to improve data related to unmet needs	New fields in data base  Staff training	System understands unmet need and goals and preferences	Unmet need reports	
8. Balance LTC through proactive choice counseling <b>TF Strategy #4</b>	A. Target Options counseling, work with hospital discharge <b>STG Goal #1 Ob #2, Strategy #3, Goal #1 Obj 3 Strategy #2,3,</b>  B. LTCC working with NHD to improve targeting of hospitalized persons at risk for LTC placement beyond Medicare days	Hospital discharge staff communication and policy changes  Written agreement between hospital and SPE  SPE policy	Increase use Medicare home benefits  Reduction in number of unwanted NF stays	NF utilization data  SPE activity reports	Pam

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	C. LTCC to plan and conduct outreach and policy development to improve collaboration and referrals with hospitals D. develop targeting methodology and implement and I and A strategy for identify individual who are at risk	Targeting criteria developed  Policy at I and A and other to use targeting criteria and make referrals			
9. Make LTC Transition a function of the SPE agencies. <b>TF Recommendation #3, Strategy #3</b>	LTCC and OLTCCSS participate in NFT planning.	LTCC standards include Transition services and LTCC role in access, referral and assistance through OC	Increase number of persons receiving LTC services in setting they prefer	SPE activity reports  MFP reports Cost analysis reports show continuation of trends to balance budget with increase % of funds to HCBS	

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<b>SYSTEM</b>					
<p>10. Determine financial eligibility through the appropriate state agency. The process of determining eligibility also helps capture other public and private assistance programs for which the person is eligible. The SPE agencies will provide assistance to consumers in working through the eligibility application process. Single points of entry facilitate speedier processing and identify barriers to processing. SPE agencies should work with other agencies to resolve barriers found in the system.</p> <p><b>TF Strategy one</b></p>	<p>A. Establish an interagency access project team to streamline financial and functional eligibility and assessment process. STG Goal #1, Obj #2, Strategy #1</p> <p>statewide cross-agency goals and objectives for aligning the state’s long term care delivery and finance system along with establishment of measureable benchmarks</p> <p><b>Finance:</b> B. Support efforts to achieve centralized eligibility workers who coordinate with SPE to</p>	<p>Meeting minutes</p> <p>Written recommendations for centralized worker</p> <p>Written recommendations for streamlining</p> <p>25 new eligibility workers are in Administration budget for 2010</p>	<p>Shorter time between access and eligibility decisions</p> <p>Persons report access is timely and understandable to meet their needs</p>	<p>Timeline for eligibility determination</p>	<p>A. Jane A.</p> <p>B. Steve Fitton</p>

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	streamline access using Single Point of Entry concepts				
11. <b>Bench mark 15</b> assessment system and process will be developed that: Includes a standard minimum intake screen that predicts need for the full array of Medicaid funded LTC programs and efficiently identifies areas for further evaluation Incorporates person-centered planning as the starting point for assessment and goal development. Implements specific evidence-based assessment protocols when triggered by the minimum intake screen. Includes a comprehensive caregiver assessment when indicated.	Implement policy that provides assessment, level of care determinations and options counseling through a network of single point of entry entities. <b>STG Goal #1, Obj #1, Strategy#4</b>  <b>Function:</b> A. Re-engineering timing workgroup: MSA/OLTCSS  B. Telephone Intake Guidelines study  C. Waitlist review  D. LOC analysis by	Meeting minutes  Wait list recommendations  Analysis report of LOC doors  Modular shared assessment tool used across the array			A. Pam  B.  C.  D. U of M and Liz Aastaad (MSA)  E. Jane A with U of M

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Utilizes an electronic database that serves as a base for information, documents assessment and planning history, and follows the individual through the full array of long-term care supports. <b>TF Bench mark 15</b>	door  <b>Assessment</b>  E Create chart of data elements in existing tools for LTC programs in Michigan  F.. Increase understanding and dialogue to consider if assessment core questions could be shared by LTCC, Waiver/ NF/Home Help ---other Consider PCP principles  G. Reconvene Interagency workgroup to plan shared education, planning across the system				

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	<p><b>TF Strategy 6</b>                      Make a comprehensive assessment, or level of care tool, (developed by the proposed LTC Administration) available from the SPE agencies to determine functional eligibility for publicly funded LTC programs including Home Help, Home Health, Home and Community Based Services waiver (MI Choice), and nursing facilities. SPE agencies will use the Comprehensive Level of Care Tool for <u>all</u> persons coming to the SPE for assessment</p> <p><b>TF Strategy 6</b></p>				

**Review and Revised Dates**

PAT date: 3.9.09

Commission Workgroup date: NA

Commission date: 3.30.09

**LOGIC MODEL: Recommendation Three: Create Single Point of Entry Agencies for Consumers**

**Goal: SPE agencies are established statewide in every region drawing on learning’s from the LTCC demonstration.**

<b>Objective</b> Objectives: 1, 2, 3, 4, 5 are related to expansion 6,7, 8, 9 to current service, and 10, 11, 12 to System Change	<b>Activity</b>	<b>Output</b> the tangible products that will result from implementing the activities;	<b>Outcome</b> the expected changes that will be produced from program implementation	<b>Indicator/measure</b>	<b>Responsible for/Champions/ and Time frame</b>
12. Expand advocacy process for all LTC consumers. The advocacy function needs to have a systemic approach to advocacy. <b>TF Strategy 16</b>  The outside advocate is adequately funded to assure consumer access in all geographic SPE areas-  <b>TF Benchmark 7</b>	Convene stakeholder group to develop a model and implementation plan to establish an independent advocate. Independent advocate options include consumers and peers. Consumer input and multiple approaches need to be considered <b>STG Goal #1, Ojb #1, Strategy #5</b>  A. Work with QM Commission workgroup and QM PAT to develop process to collect complaints and problems information related to HCBS (Waiver, Home Help, Other)  B. Review models and				A Nora  B. Joe  D. In conjunction with PCP and Education workgroups

**Review and Revised Dates**

PAT date: 3.9.09

Commission Workgroup date: NA

Commission date: 3.30.09

**LOGIC MODEL: Recommendation Three: Create Single Point of Entry Agencies for Consumers**

**Goal: SPE agencies are established statewide in every region drawing on learning’s from the LTCC demonstration.**

<b>Objective</b> Objectives: 1, 2, 3, 4, 5 are related to expansion 6,7, 8, 9 to current service, and 10, 11, 12 to System Change	<b>Activity</b>	<b>Output</b> the tangible products that will result from implementing the activities;	<b>Outcome</b> the expected changes that will be produced from program implementation	<b>Indicator/measure</b>	<b>Responsible for/Champions/ and Time frame</b>
	experience of other states  C. Evaluate data related to problems and use to develop strategy for Independent advocate  D. Support “individual” choice and control through implementation of PCP activities across the system				

Modernizing Michigan Medicaid Long Term Care Task Force  
Project Action Team(s) (PAT) and Commission Workgroup Meetings

The work of the implementing the Task Force recommendations requires collaborative effort and many work groups and sub committees. The OLTCSS has formed Project Action Teams to work with stake holders. Each group will develop a logic model planning documents and undertake related activities. These detailed plans will define implementation activities related to each recommendation. Communication within the office and with other stakeholders will be improved through this process.

Recommendations:	PAT participants	Next Meeting
1: <a href="#">Require and Implement Person-Centered Planning Practices.</a>	Nora Barkey, (lead) Denise Rabidoux Dohn Hoyle Jane Alexander Peggy Brey Chris Chesney Michael Daeschlein Wendi Middleton Tari Muniz Bob Orme Jackie Tichnell	PAT Feb 5 <sup>th</sup> 11:00 Commission Feb 12, 2009 PCP PAT March 18 <sup>th</sup> 3:00 PM Commission April 8, 2009 10:00 AM Capital View
2: <a href="#">Improve Access by Adopting “Money Follows the Person” Principles.</a>	Rob Curtner (lead) Jane Alexander Nora Barkey Peggy Brey Joanne Bump Scott Fitton Robin Mossbarger Bob Orme Ellen Speckman-Randall Jackie Tichnell Tom Rau Joe Warren	PAT March 3, 2009 PAT March 26, 2009

<p>3: Create Single Point of Entry Agencies for Consumers</p>	<p>Nora Barkey. (lead) Liz Aastad Mary Ablan Jane Alexander Erin Atchue Peggy Brey Joanne Bump RoAnne Chaney Jane Church Andy Farmer Scott Fitton Pam McNab Bob Orme Sarah Slocum Jackie Tichnell Hollis Turnham Susan Yontz</p>	<p>Pre planning for PAT Feb 18, 2009 PAT March 4, 2009 PAT March 18, 2009 PAT April 16, OLTCSS 10:00 AM PAT May 18, OLTCSS 2:00 PM</p>
<p>4: Strengthen the Array of Services and Supports (Expanding the Range of Options).</p>	<p>Jane Church, (lead) Jane Alexander Peggy Brey Bob Orme Jackie Tichnell</p>	<p>Nothing scheduled at this time. Additional members being recruited and meeting schedule established.</p>
<p>5: Support, Implement, and Sustain Prevention Activities through (1) Community Health Principles, (2) Caregiver support, and (3) Injury control, Chronic Care Management, and Palliative Care Programs that Enhance the Quality of Life, Provide Person-Centered Outcomes, and Delay or Prevent Entry in the LTC system.</p>	<p>RoAnne Chaney (co-lead) Nora Barkey (co-lead) Connie Fuller Yolanda McKinney Ellen Sugrue Hyman Robert Orme Jackie Tichnell Cyndy Viars Judy Lyles Pam McNab</p>	<p>Commission Feb 17, 2009 Commission April 21, 2009 PAT April 7, 1:30 OLTCSS</p>
<p>6: Promote Meaningful Consumer Participation and Education by Creating a Long-Term Care Commission and Informing the Public about the Available Array of Long-Term Care Options.</p>	<p>Jane Church, (lead) Nora Barkey Peggy Brey Sharon Gire Tari Muniz Bob Orme Denise Rabidoux Jackie Tichnell Cyndy Viars Toni Wilson</p>	<p>Commission March 2, 2009 Commission April 6, 2009 Commission May 4, 2009</p>

<p>7: Establish a New Quality Management System.</p>	<p>Pam McNab (lead) Erin Atchue Carol Barrett Nora Barkey RoAnne Chaney Scott Fitton Tom Rau Sarah Slocum Cheribeth Tan-Shriner Jackie Tichnell Toni Wilson</p>	<p>Commission Feb 26, 2009 PAT March 24, 2009</p>
<p>8: Michigan Should Build and Sustain Culturally Competent, Highly Valued, Competitively Compensated, and Knowledgeable LTC Workforce Teams that Provide High Quality Care within a Supportive Environment and are Responsive to Consumer Needs and Choices</p>	<p>Bob Buryta (Lead) Nora Barkey Peggy Brey Joanne Bump Scott Fitton Yolanda McKinney Tari Muniz Bob Orme Jackie Tichnell Hollis Turnham Charles Williams</p>	
<p>9: Adapt Financing Structures that Maximize Resources, Promote Consumer Incentives, and Decrease Fraud.</p>	<p>Rob Curtner, (lead) Jane Alexander Nora Barkey Peggy Brey Joanne Bump Bob Buryta Chris Chesney Scott Fitton Bob Orme Denise Rabidoux Tom Rau Jon Reardon Jackie Tichnell Joe Warren</p>	<p>Commission February 23, 2009 Commission March 20, 2009 Commission April 27, 2009 Commission June 22, 2009 Commission August 24, 2009 Commission October 26, 2009 Commission December 28, 2009</p>

Create SPEs

Strategy	Implemented	Continues	Not Addressed
SPEs established in 4 areas of State	X SPEs not a Medicaid provider	X	
Perform a range of activities Information & Assistance Option Counseling Level of Care Determinations (pre-admission screening NF Transitions Assist with financial eligibility applications Develop preliminary Support plans Participate in NF Closures Conduct Follow up	X Services available at no cost. Private pay fee structure under construction for Option Counseling, May 2009	X	
SPEs have trained staff, secure access to bilingual & culturally competent staff & interpreters	X	X	
SPEs have consumers on governing boards & consumer advisory boards OLTCSS SPE field reps visiting board and CAB meetings currently	X	X	
SPEs incorporated PCP into all service functions	X	X	
Streamline LOCD process, working on improving LOCD tools & process in on-going LOCD workgroup	X SPE assessment system & process developed with standard functional screen	X	Waiver case management
Streamline MA financial eligibility application process, electronic application	X	X	Electronic application
SPEs assure Medicaid Fair Hearing through LOCD system	X	X	
SPEs are LTC resource for communities including caregivers	X on-going collaboration with community partners	X	Caregiver assessment
Formal agreement established with community partners, NFs	X	X	Few with hospitals
SPEs conduct community outreach to explain SPE functions & benefits	X	X	

Providers are required to inform consumers of SPE agency due to LOCD screen for Medicaid reimbursement purposes	X	X	
Standardized tools developed & shared among SPE sites, standardized data collection	X	X	
SPEs use an electronic database with a resource data base of services available in the regions, tracks participant encounters from assessment, through planning & follow up	X	X	
Two SPE evaluations were conducted, preliminary reports submitted to MDCH, being vetted by the dept, address whether SPEs are achieving the anticipated results	X – preliminary evaluation data used in discussion with sites regarding performance	X	
State & local Quality assurance monitoring is being conducted	X	X	
Implementing QM function, emphasizing, but not limited to measures of consumer satisfaction	X	X	

### Single Point of Entry Expansion Timeline

	<b>Description</b>	<b>Reporting Requirements</b>
December, 2008	Written Report to Legislature – Preliminary Report. (Not all cost data is available.)	PA 634 of 2006 109i (13) Not earlier than 12 months after but not later than 24 months after the implementation of the single point of entry agency designated under subsection (9), the department of community health shall submit a written report to the senate and house of representatives standing committees dealing with long-term care issues, the chairs of the senate and house of representatives appropriations committees, the chairs of the senate and house of representatives appropriations subcommittees on community health, and the senate and house fiscal agencies regarding the array of services provided by the designated single point of entry agencies and the cost, efficiencies, and effectiveness of single point of entry. In the report required under this subsection, the department of community health shall provide recommendations regarding the continuation, changes, or cancellation of single point of entry agencies based on data provided under subsections (4) and (10) to (12).
April, 2009	Final Written Report to Legislature	PA 634 of 2006 109i (13)
January 31, 2010	Rule Promulgation	PA 634 of 2006 109i (15) The department of community health shall promulgate rules to implement this section not later than 270 days after submitting the report required in subsection (13).
April, 2010	SPE Expansion	PA 634 of 2006 109i (16) The department of community health shall not designate more than the initial 4 agencies designated under subsection (9) to serve as single point of entry agencies or agencies similar to single point of entry agencies unless all of the following occur: <ul style="list-style-type: none"> <li>(a) The written report is submitted as provider under subsection (13).</li> <li>(b) Twelve months have passed since the submission of the written report required under subsection (13).</li> <li>(c) The legislature appropriates funds to support the designation of additional single point of entry agencies.</li> </ul>

**PERSON CENTERED PLANNING PRINCIPALS/CHARACTERISTICS**

<b>CMS Self-Directed Final Rule</b>	<b>Practice Guidance for the MI Choice Waiver Sites June 2008</b>	<b>Medicaid Provider Manual – Nursing Facility Coverages Sec 6.1 7.1.2008</b>	<b>DHS Adult Services Manual – Independent Living Services Program Overview (ASM 361)</b>	<b>Aging – Nursing Home Diversion Grant</b>	<b>Mental Health - Person-Centered Planning Revised Practice Guideline-</b>
1. The person’s activities, services and supports are based on his or her dreams, interests, preferences, strengths, and capacities	1. Person-centered planning is an individualized process designed to respond to the preferences and desires of the individual  2. Each individual has strengths and the ability to express preferences and make choices.  6. A person’s cultural background shall be recognized and valued in the planning process.	1. Each individual has unique strengths, abilities and preferences and is able to express preferences and make choices. Each individual can participate in planning his life, with appropriate support if needed.	1. Person-centered, strength-based case planning focuses on: Client as decision-maker in determining needs and case planning. Client strengths and successes, instead of problems. Client as their own best resource. Client empowerment.		1. Each individual has strengths, and the ability to express preferences and to make choices.  5. A person’s cultural background shall be recognized and valued in the decision-making process.
2. The person and people important to him or her are included in planning, and have the opportunity to exercise control and make informed decisions		2. People trusted by the individual and committed to supporting the individual’s choices must be involved in planning for long-term care. The process is dependent on the participation of supportive relationships, such as family members and friends, and encourages their involvement, to the extent that the choices of the individual are reflected. These relationships support the individual’s right to choose, even the right to take risks.			
3. The person has meaningful choices, with decisions based on his or her experiences	3. The individual’s choices and preferences shall always be honored and considered.				2. The individual’s choices and preferences shall always be honored and considered, if not always granted.
4. The person uses, when possible, natural and community supports					
5. Activities, supports and services foster skills to achieve personal relationships, community	4. Each individual can contribute to the community, and has the ability to choose how supports and services				3. Each individual has gifts and contributions to offer to the community, and has the ability to choose how

inclusion, dignity, and respect	<p>may help them meaningfully participate in and contribute to the community.</p> <p>5. Person-centered planning processes maximize independence, create community connections, and work towards achieving the individual's dreams, goals, and desires.</p>				<p>supports, services and/or treatment may help them utilize their gifts and make contributions to community life.</p>
6. The person's opportunities and experiences are maximized, and flexibility is enhanced within existing regulatory and funding constraints					<p>4. Person-centered planning processes maximize independence, create community connections, and work towards achieving the individual's dreams, goals and desires.</p>
7. Planning is collaborative, recurring, and involves an ongoing commitment to the person					
8. The person is satisfied with his or her activities, supports and services		<p>3. Person-centered planning is outcome-oriented. The planning should lead to positive outcomes in the individual's life, i.e., helping to attain or maintain the highest practicable physical, mental, and psychosocial well-being. The individual determines what constitutes a positive outcome. For a younger adult with a disability, this may include building a career. For an older person near the end of life, the positive outcomes may include deciding where one dies and who is present.</p>			

## DRAFT

On Commission letter head

March 30, 2009

Dear Director Olszewski:

This letter is to request the Department of Community Health adopt the attached Person Centered Planning Process definition, values/principles and essential elements for use across programs and policies that impact persons who use long term care supports and/or services.

The Commission and its workgroups, in response to the Modernizing Michigan Medicaid Long Term Care Task Force Report Recommendation ONE: “Require and implement person-centered planning practices throughout the LTC continuum and honor the individual’s preferences, choices, and abilities.” has engaged in a process of learning, dialogue and planning with stakeholders to identify core and common definition, values, principles and elements. The work considered and built on Michigan’s history of innovation in development and implementation of person centered planning.

While the phrase “person centered planning” is already incorporated in policy that impacts nursing homes, waivers, and home health there is no consistent definition or guidelines across these programs. We are asking the Department of Community Health to adopt and work with us to incorporate the definition, principles and elements in training, program policy and practice so that all persons receive services in a way that supports their individual choices.

These efforts are critical parts for Michigan to reach the Department of Community Health’s vision: Michigan will be a safe and healthy state where all people realize their fullest health potential and live enriched and productive lives. Research shows that better social and health outcomes occur when individuals are allowed and supported to make informed decision and actively participate in decision making.

We appreciate your leadership and all that you do and ask that the Department endorse/adopt the definition, values and elements and work with us on implementation steps.

Sincerely,

Dohn Hoyle  
Co-Chair PCP Workgroup

Denise Rabidou  
Co-Chair PCP Workgroup

Andrew Farmer  
Chair Commission

Peggy Brey  
Interim Director, Office of Long Term Care  
Supports & Services

**State of Michigan Definition, Core Values/Principles and  
Essential Elements  
of  
Person Centered Planning Process for Long Term Care Supports &  
Services, Settings and Programs**

**Definition**

"Person-Centered Planning" means a process for planning and supporting the consumer receiving services that builds on the individual's capacity to engage in activities that promote community life and that honors the consumer's preferences, choices, and abilities. The person-centered planning process involves families, friends, and professionals as the consumer desires or requires. (PA 634 **Sec. 109i** (23) f )

**Core Values and Principles**

The Person-Centered Planning process is based on the following values and principles:

- Person-Centered Planning is an individualized process designed to respond to the preferences and desires of the individual.
- The person and (if desired) people important to him or her are included in planning.
- Each individual has strengths and the ability to express preferences and make choices.
- The individual's choices and preferences shall always be honored and considered.
- The person uses, when desired and available natural and community supports.
- Each individual can contribute to the community, and has the ability to choose how supports and services may help them meaningfully participate in and contribute to the community.
- Person-Centered Planning processes maximize independence, create or maintain community connections, and work towards achieving the individual's dreams, goals, and desires.
- A person's cultural background shall be recognized and valued in the planning process.
- The planning process is supportive of the person and their wishes, collaborative, reoccurring and involves an ongoing commitment to the whole person.

**Essential Elements**

The Person-Centered Planning process includes the following:

- *Person-Directed.* The individual controls the planning process.

- *Capacity Building.* Planning focuses on an individual's gifts, abilities, talents, and skills rather than deficits.
- *Person-Centered.* The focus is continually on the individual's life with whom the plan is being developed and not on fitting the person into available services and supports in a standard program.
- *Outcome-Based.* The planning process focuses on increasing the experiences identified as valuable by the individual during the planning process.
- *Presumed Competence.* All individuals are presumed to have the capacity to actively participate in the planning process (even individuals with cognitive and/or mental disabilities are presumed to have capacity to participate).
- *Information.* A PCP approach must address the individual's need for information, guidance, and support.
- *Facilitation.* Individuals may choose to have an independent advocate/champion to act as facilitator. Facilitation may include pre-planning and conducting the planning meetings. This may be done more effectively by someone outside of the provider organization
- *Participation of Allies.* For most individuals, person-centered planning relies on the participation of allies chosen by the individual, based on whom they feel is important to be there to support them.
- *Health and Welfare.* The needs of the individual must be addressed in a person centered manner, strategies to address identified health and welfare needs are supported to allow the individual to maintain his/her life in the setting of his/her choice.
- *Documentation.* The planning results should be documented in ways that are meaningful to the individual and useful to people with responsibilities for implementing the plan.

## **NEWSMAKER FRIDAY: WHAT ABOUT A PROPOSAL TO SWAP M.B.T. FOR GRADUATED INCOME TAX?**

Already this year there have been a number of calls for Michigan to revamp its overall tax system, but major proposals to change the tax system are thus far lacking. There is one significant proposal, though, that has started working its way through legislators and interest groups: scrap the already hated Michigan Business Tax completely, and institute a graduated income tax.

The gist of the idea, promoted by leading economist Charles Ballard of Michigan State University, is to give the state a major competitive advantage nationally by making it one just a handful of states without a specific business tax. Such a selling point could help attract new businesses to the state while helping persuade businesses here to stay and expand.

At the same time a graduated income tax could ensure the state continues to have the same level of revenue the MBT brings the state, to prevent the state having to make major cuts to education, especially higher education, which he said is critical to advancing Michigan's economy.

The idea could also provide a tax break to middle- and lower-income residents since a graduated income tax would likely set a lower marginal rate for those individuals than the current flat 4.35 percent income tax rate.

And while upper income individuals would pay higher income tax - and Mr. Ballard said that would include him - even that would be offset somewhat by increased deductibility on the federal income tax.

But the proposal also faces major potential opposition. There is at minimum the current constitutional prohibition, in Article IX, Section 7, against a graduated income tax, meaning the voters would have to be convinced to repeal that provision.

And to even get such a proposal to the ballot, either a petition drive would have to be mounted (which means someone or some group would have to fund such a drive) or both legislative houses would have to vote by a two-thirds majority to put the proposal on the ballot. To do that, Republicans would have to be willing to overlook what has been an article of tax faith for the party against a graduated income tax.

However, a spokesperson for Senate [Majority Leader Mike Bishop](#) (R-Rochester) said at this time in the state's history Mr. Bishop would not reject looking at any proposal. Matt Marsden was careful to say that Mr. Bishop, who has not been personally briefed on the proposal, was neither supporting nor opposing it.

But, "the Senate Majority Leader is willing to look at anything to turn Michigan around," Mr. Marsden said.

A spokesperson for House [Minority Leader Kevin Elsenheimer](#) (R-Bellaire) said, however, a graduated income tax would make such a proposal a hard sell among conservative Republicans.

Mr. Ballard has spoken with several groups about the proposal including the Michigan Prospect and the Michigan League for Human Services. He has also spoken with some legislators, including [Sen. Gilda Jacobs](#) (D-Huntington Woods), about the proposal.

John Bellow, a spokesperson for the Michigan Prospect, said via email that while the group had no specific plans in mind and that it backed a "broad rewrite to create a fair, transparent, simple, competitive code."

Judy Putnam, spokesperson for the MLHS, said the league has long favored a graduated income tax since it considers Michigan one of the most regressive tax states in the nation.

But she also said the group wasn't sure it was ready to advocate a complete elimination of the MBT either. Nonetheless, the group was glad to work with Mr. Ballard on tax concepts, she said.

Ms. Jacobs said the proposal was "very intriguing," and "very bold." While not specifically endorsing the idea, she said it was critical the Legislature and the administration of [Governor Jennifer Granholm](#) to develop a major revamping of the state's tax code this year before any chance of reaching an accord is lost in the slog of the 2010 election.

Before anyone could sign off on eliminating the MBT and instituting a graduated income tax, though, some numbers would have to be run, Ms. Jacobs said.

In fact, Mr. Ballard readily acknowledges that specific details of how a graduated income tax would work were not developed. Those details could be key to winning support for such a proposal when considering tax rates and margins.

Mr. Ballard said, though, that the Kansas income tax structure could be viewed as a model. According to the Jayhawk state's Department of Revenue, the income tax has three rates and margins: 3.5 percent for joint incomes under \$30,000, a tax of \$1,050 plus 6.25 percent of all income between \$30,000 and \$60,000, and then a tax of \$2,925 plus 6.45 percent on income above \$60,000.

Driving Mr. Ballard's proposal is the idea that boosting Michigan's economy depends in large measure on improving the education levels of its residents.

At a lecture he delivered at the MSU campus last week, Mr. Ballard said statistical data showed that the states with the highest incomes have the highest number of college graduates.

Ms. Granholm has also called on the state to boost the number of college graduates as a way of expanding and developing the state's economy.

Ensuring that more students get into college and graduate depends in part on the state being able to support its colleges, which means providing a general stream of revenue, Mr. Ballard said. He rejected the idea that overall state expenditures are excessive, especially in light of the cuts and restructuring the state has had to endure in the last 10 years.

But he also acknowledged the state has to do something to help its immediate economy recoup. Many critics call for massive tax cuts to drive that recovery, and tax cuts can be stimulating, Mr. Ballard said.

"If we could have a free lunch, if we could have every tax cut and pay for school buses and teaches and police and sewers, that would be wonderful," Mr. Ballard said, but not realistic.

Mr. Ballard also said that in its brief two-year history the MBT has proven to be a worse tax than the Single Business Tax it replaced.

Plus, he said, the old saw is in fact true: businesses don't pay tax, they allocate it to someone else. Since consumers are paying business taxes in fact, he argued the state should simplify and clean up the system.

So, he is suggesting the state simply repeal the MBT and replace the revenue it would raise, about \$2.5 billion when the surcharge is included, with a graduated income tax.

Doing so would give the state a big advantage over most other states by holding Michigan out as a state with no specific business tax.

Currently, just four states - Nevada, Texas, Washington and Wyoming - have no specific business tax that could be considered a business income tax.

A study released this week by the East Lansing-based Anderson Economic Group showed that on average, of all the taxes businesses pay, the largest share is in property taxes, 51 percent, with corporate income taxes accounting for 12 percent.

Using 2005-06 fiscal year figures, the study found that of the total taxes Michigan businesses paid, nearly \$1.9 billion, or 14.1 percent of the \$13.333 billion paid, was in the then SBT.

Announcing the state was offering essentially a \$2 billion tax advantage could be a big advertising push. How much difference it would make in terms of development is harder to measure, but Mr. Ballard said a study done several years ago by the Kalamazoo-based Upjohn Institute speculated that eliminating the then SBT and replacing the lost revenue with income tax could on its own help generate 96,000 jobs and 140,000 more residents as well as boost overall state income by \$7.4 billion.

"It wouldn't mean the streets are paved with gold, but if you believe the rhetoric of some chamber of commerce folks, that would be enormous responsiveness" to the cut, Mr. Ballard said.

But the counter question is would a graduated income tax offset that gain? Many businesses, all smaller, do not pay the MBT. Business income those companies earn is paid back in the form of the owner or CEO's personal income tax. If marginal tax rates go up, could that erase the overall savings from the business tax elimination?

That is one worry Jim Holcomb, vice president of business advocacy for the Michigan Chamber of Commerce, had with the proposal. "Graduated income tax is a bad policy,"

he said. "A lot of small business and two-income families would get hammered" by the increased tax margins.

But offsetting the potential increase state tax is a lowered federal income tax for those individuals, Mr. Ballard said. State income taxes paid are deductible off the federal return and Michigan's flat rate income tax "leaves a lot of money on the table" in Washington that could be returned to the state, he said.

In addition, the state has indexed its personal exemption, which could also improve the progressivity of a graduated tax.

The tax could also be structured so middle- and lower-income families get a tax break

Ultimately, though, more upper-income people would pay higher taxes, Mr. Ballard said, "and that includes me, and I pay no business taxes."

Of the 43 states with income taxes, 35 have graduated taxes, with tax rates running as high as 9.9 percent. The largest number of states have top rates that do not exceed 6.9 percent. Michigan raised the income tax from 3.9 percent to 4.35 percent in 2007. The highest rate the state ever charged for the tax was 6.35 percent in the early 1980s.

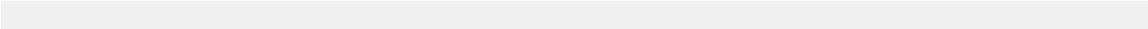
Bill Nowling, spokesperson for Mr. Elsenheimer, said what makes the proposal tough for conservatives is that "income taxes are a tax on wealth." Taxes on consumption and production, such as sales taxes, are more attractive to conservatives, he said, but are opposed by liberals.

The proposal also does not get at the real need to completely overhaul Michigan's tax structure, he said. Effectively it is "just replacing one bad tax with another bad tax."

But Charles Owens, executive director of National Federation of Independent Business in Michigan, said he would be interested in polling his members on the idea. While many of them pay no MBT, virtually none of them like the MBT, he said.

And many small business owners would fall into the middle-income brackets that could actually see an income tax cut, Mr. Owens said. While generally asking individuals to pay more tax while businesses pay less is a tough sell, "there are some definite pros" to the concept.

It would be better in the end to eliminate the MBT than to keep picking at it with individual credits and special benefits to some companies, Mr. Owens said.



## TAX CREDIT BILL SENATE PASSED CONTAINED INADVERTENT \$2.6B TAX CUT

In unanimously approving an income tax credit for persons buying a house in the state, the Senate last week apparently unwittingly approved a total tax cut of better than \$2.6 billion for the current and next two fiscal years.

An analysis of the passed version of [SB 346](#) , now in the House, has been posted by the Senate Fiscal Agency and shows that under the conditions set in the bill, home sales could jump by as much as 25 percent in the state and that would lead to overall income tax losses of \$2.613 billion over three years.

At the time SB 346 was amended, no one in the Senate apparently understood what a quickly-adopted floor amendment could mean to the state's coffers. In fact, the amendment that the chamber adopted was initially offered to mitigate anticipated revenue cuts of \$69 million over two years.

Just to the state's general fund, the unexpected income tax credit would slash its revenues by at least 12 percent. If it were to become law it would also mark the largest tax cut the state adopted since [SB 1](#) in 1993, which eliminated all property taxes for schools and led eventually to the Proposal A school financing package in 1994.

The new analysis was posted shortly after SB 346 was passed, but was only stumbled on just as inadvertently as the mammoth tax cut was passed.

Asked if Senate members knew when they voted on the bill, a SFA official said, "Nobody asked us." Nor had any Senate members or staff contacted the SFA to inquire about the new analysis, the official said.

As the bill originally came to the Senate floor the measure would have allowed a person who bought a house as his or her primary residence in 2009 and 2010 to claim an income tax credit equal to the difference between the house's previous taxable value and the new taxable value after the house had seen the pop-up tax.

Sponsors and supporters of the bill wanted the state to provide some protection to homeowners from the effect of the pop-up tax.

But Democrats worried that the tax cut when added to other tax cuts approved by the Senate would punch a hole in state revenues of, ironically, \$1.2 billion.

As a compromise, [Sen. Gretchen Whitmer](#) offered an amendment that would allow individuals to take a tax credit of 10 percent of the house price, up to \$8,000. That amendment was defeated and replaced with an amendment from [Sen. Mark Jansen](#) (R-Gaines Twp.) to allow for a tax credit of 10 percent, up to \$10,000.

Neither Ms. Whitmer nor Mr. Jansen could be reached for comment on Thursday.

Liz Boyd, spokesperson for [Governor Jennifer Granholm](#), said the administration was aware the bill would have cost more than \$1 billion. And, referring to House

Republicans who called earlier this week for major budget cuts, Ms. Boyd said House Republicans should prevail on their Senate colleagues to stop passing tax cuts that would cripple state revenues.

But the analysis said that in most cases in the state such a credit would exceed an individual's income tax liability. Most new homes sold in the state would automatically qualify the purchaser for the \$10,000 credit, and most existing homes would do so as well, given that in 2008 the average cost of an existing house was \$117,000.

The analysis assumes the credit would be an enormous boon to selling houses in the state, estimating it could shoot sales of houses up by 25 percent from the 163,000 units sold in 2008.

Were that to happen - and the bill would have to beat long odds of passing the House unamended and being signed by [Governor Jennifer Granholm](#) who has already said that all tax cuts passed have to be paid for - it could cut current year revenues by \$76.1 million, 2009-10 revenues by nearly \$1.2 billion and 2010-11 revenues by \$1.33 billion.

Most of that cut would be absorbed by the general fund.

There is no indication of when or if the House might act on the bill.