

SUBSTITUTE FOR
HOUSE BILL NO. 5313

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2015 and other fiscal years; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

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ARTICLE IV

DEPARTMENT OF COMMUNITY HEALTH

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 2015, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions.....	3,648.1	
Average population	893.0	
GROSS APPROPRIATION.....		\$ 18,215,375,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental		

1	transfers	9,425,900
2	ADJUSTED GROSS APPROPRIATION.....	\$ 18,205,950,000
3	Federal revenues:	
4	Total federal revenues.....	12,539,355,700
5	Social security act, temporary assistance for needy	
6	families	18,330,400
7	Special revenue funds:	
8	Total local revenues.....	220,102,400
9	Total private revenues.....	127,056,600
10	Merit award trust fund.....	68,334,700
11	Roads and risks reserve fund.....	60,900,000
12	Autism coverage fund.....	5,500,000
13	Total other state restricted revenues.....	1,926,668,800
14	State general fund/general purpose.....	\$ 3,239,701,400
15	Sec. 102. DEPARTMENTWIDE ADMINISTRATION	
16	Full-time equated unclassified positions..... 6.0	
17	Full-time equated classified positions..... 190.7	
18	Director and other unclassified--6.0 FTE positions ...	\$ 724,700
19	Departmental administration and management--180.7	
20	FTE positions	27,088,800
21	Worker's compensation program.....	5,000,500
22	Rent and building occupancy.....	10,268,900
23	Developmental disabilities council and	
24	projects--10.0 FTE positions	3,042,200
25	Human trafficking intervention services.....	<u>200,000</u>
26	GROSS APPROPRIATION.....	\$ 46,325,100
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	15,472,900
3	Special revenue funds:	
4	Total private revenues.....	35,200
5	Total other state restricted revenues.....	829,800
6	State general fund/general purpose.....	\$ 29,987,200
7	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
8	AND SPECIAL PROJECTS	
9	Full-time equated classified positions..... 103.0	
10	Behavioral health program administration--102.0 FTE	
11	positions	\$ 51,172,900
12	Gambling addiction--1.0 FTE position.....	3,003,900
13	Protection and advocacy services support.....	194,400
14	Community residential and support services.....	592,100
15	Federal and other special projects.....	2,839,200
16	Family support subsidy.....	18,149,900
17	Housing and support services.....	<u>13,238,800</u>
18	GROSS APPROPRIATION.....	\$ 89,191,200
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	39,567,400
22	Social security act, temporary assistance for needy	
23	families	18,330,400
24	Special revenue funds:	
25	Total private revenues.....	200,000
26	Total other state restricted revenues.....	3,003,900
27	State general fund/general purpose.....	\$ 28,089,500

1	Sec. 104. BEHAVIORAL HEALTH SERVICES	
2	Full-time equated classified positions.....	9.5
3	Medicaid mental health services.....	\$ 2,323,857,900
4	Community mental health non-Medicaid services.....	97,050,400
5	Mental health services for special populations.....	8,842,800
6	Medicaid substance use disorder services.....	45,867,300
7	CMHSP, purchase of state services contracts.....	139,465,600
8	Civil service charges.....	1,499,300
9	Federal mental health block grant--2.5 FTE positions .	15,445,500
10	State disability assistance program substance use	
11	disorder services	2,018,800
12	Community substance use disorder prevention,	
13	education, and treatment	73,811,800
14	Children's waiver home care program.....	21,544,900
15	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,260,600
16	Children with serious emotional disturbance waiver...	12,647,900
17	Health homes.....	900,000
18	Healthy Michigan plan - behavioral health.....	<u>274,331,900</u>
19	GROSS APPROPRIATION.....	\$ 3,029,544,700
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	Interdepartmental grant from the department of human	
23	services	6,351,500
24	Federal revenues:	
25	Total federal revenues.....	1,937,773,000
26	Special revenue funds:	
27	Total local revenues.....	25,228,900

1	Total other state restricted revenues	22,506,200
2	State general fund/general purpose	\$ 1,037,685,100
3	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
4	MENTAL HEALTH SERVICES	
5	Total average population	893.0
6	Full-time equated classified positions.....	2,130.9
7	Caro Regional Mental Health Center - psychiatric	
8	hospital - adult--461.3 FTE positions.....	\$ 56,257,100
9	Average population	185.0
10	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
11	positions	64,409,100
12	Average population	189.0
13	Walter P. Reuther Psychiatric Hospital -	
14	adult--420.8 FTE positions	55,919,900
15	Average population	234.0
16	Hawthorn Center - psychiatric hospital - children	
17	and adolescents--226.4 FTE positions.....	28,778,000
18	Average population	75.0
19	Center for forensic psychiatry--556.3 FTE positions ..	72,695,200
20	Average population	210.0
21	Revenue recapture.....	750,000
22	IDEA, federal special education.....	120,000
23	Special maintenance.....	332,500
24	Purchase of medical services for residents of	
25	hospitals and centers	445,600
26	Gifts and bequests for patient living and treatment	
27	environment	<u>1,000,000</u>

1	GROSS APPROPRIATION.....	\$	280,707,400
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		34,724,400
5	Special revenue funds:		
6	CMHSP, purchase of state services contracts.....		139,465,600
7	Other local revenues.....		19,493,800
8	Total private revenues.....		1,000,000
9	Total other state restricted revenues.....		18,871,300
10	State general fund/general purpose.....	\$	67,152,300
11	Sec. 106. PUBLIC HEALTH ADMINISTRATION		
12	Full-time equated classified positions.....		100.4
13	Public health administration--7.3 FTE positions.....	\$	1,574,000
14	Health and wellness initiatives--11.7 FTE positions..		8,950,000
15	Vital records and health statistics--81.4 FTE		
16	positions		<u>11,483,500</u>
17	GROSS APPROPRIATION.....	\$	22,007,500
18	Appropriated from:		
19	Interdepartmental grant revenues:		
20	Interdepartmental grant from the department of human		
21	services		1,208,200
22	Federal revenues:		
23	Total federal revenues.....		3,657,000
24	Special revenue funds:		
25	Total other state restricted revenues.....		12,053,900
26	State general fund/general purpose.....	\$	5,088,400
27	Sec. 107. HEALTH POLICY		

1	Full-time equated classified positions.....	64.8	
2	Certificate of need program administration--12.3 FTE		
3	positions		\$ 2,785,200
4	Emergency medical services program--23.0 FTE positions		6,421,800
5	Health innovation grants.....		1,500,000
6	Health policy administration--24.1 FTE positions		3,112,700
7	Michigan essential health provider.....		3,591,300
8	Minority health grants and contracts.....		612,700
9	Nurse education and research program--3.0 FTE		
10	positions		774,400
11	Primary care services--1.4 FTE positions.....		4,067,900
12	Rural health services--1.0 FTE position.....		<u>1,555,500</u>
13	GROSS APPROPRIATION.....		\$ 24,421,500
14	Appropriated from:		
15	Interdepartmental grant revenues:		
16	Interdepartmental grant from the department of		
17	licensing and regulatory affairs.....		774,400
18	Interdepartmental grant from the department of		
19	treasury, Michigan state hospital finance authority.		116,200
20	Federal revenues:		
21	Total federal revenues.....		7,994,500
22	Special revenue funds:		
23	Total private revenues.....		865,000
24	Total other state restricted revenues.....		6,565,700
25	State general fund/general purpose.....		\$ 8,105,700
26	Sec. 108. LABORATORY SERVICES		
27	Full-time equated classified positions.....	100.0	

1	Laboratory services--100.0 FTE positions	\$	<u>19,043,200</u>
2	GROSS APPROPRIATION.....	\$	19,043,200
3	Appropriated from:		
4	Interdepartmental grant revenues:		
5	Interdepartmental grant from the department of		
6	environmental quality		975,600
7	Federal revenues:		
8	Total federal revenues.....		2,298,100
9	Special revenue funds:		
10	Total other state restricted revenues.....		8,993,900
11	State general fund/general purpose.....	\$	6,775,600
12	Sec. 109. EPIDEMIOLOGY AND INFECTIOUS DISEASE		
13	Full-time equated classified positions..... 144.9		
14	AIDS surveillance and prevention program.....	\$	1,854,100
15	Bioterrorism preparedness--52.0 FTE positions		30,094,200
16	Epidemiology administration--41.6 FTE positions		11,845,700
17	Healthy homes program--8.0 FTE positions		4,386,200
18	Immunization program--12.8 FTE positions		15,022,300
19	Newborn screening follow-up and treatment		
20	services--10.5 FTE positions		6,748,800
21	Sexually transmitted disease control program--20.0		
22	FTE positions		6,252,900
23	Tuberculosis control and prevention.....		<u>867,000</u>
24	GROSS APPROPRIATION.....	\$	77,071,200
25	Appropriated from:		
26	Federal revenues:		
27	Total federal revenues.....		58,971,700

1	Special revenue funds:		
2	Total private revenues.....		338,800
3	Total other state restricted revenues.....		11,110,500
4	State general fund/general purpose.....	\$	6,650,200
5	Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS		
6	Full-time equated classified positions.....	2.0	
7	Essential local public health services.....	\$	40,886,100
8	Implementation of 1993 PA 133, MCL 333.17015.....		20,000
9	Local health services--2.0 FTE positions.....		537,300
10	Medicaid outreach cost reimbursement to local health		
11	departments		<u>9,000,000</u>
12	GROSS APPROPRIATION.....	\$	50,443,400
13	Appropriated from:		
14	Federal revenues:		
15	Total federal revenues.....		9,537,300
16	Special revenue funds:		
17	Total local revenues.....		5,150,000
18	State general fund/general purpose.....	\$	35,756,100
19	Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND		
20	HEALTH PROMOTION		
21	Full-time equated classified positions.....	96.0	
22	AIDS prevention, testing, and care programs--31.7		
23	FTE positions	\$	70,427,500
24	Cancer prevention and control program--12.0 FTE		
25	positions		15,009,000
26	Chronic disease control and health promotion		
27	administration--29.4 FTE positions.....		4,139,900

1	Diabetes and kidney program--8.0 FTE positions	1,893,300
2	Injury control intervention project	1,350,000
3	Smoking prevention program--12.0 FTE positions	2,111,000
4	Violence prevention--2.9 FTE positions	<u>1,824,000</u>
5	GROSS APPROPRIATION.....	\$ 96,754,700
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues	49,169,800
9	Special revenue funds:	
10	Total private revenues	38,778,400
11	Total other state restricted revenues	5,535,000
12	State general fund/general purpose	\$ 3,271,500
13	Sec. 112. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
14	SERVICES	
15	Full-time equated classified positions.....	65.6
16	Childhood lead program--2.5 FTE positions	\$ 1,236,200
17	Dental programs--3.0 FTE positions	1,647,600
18	Dental program for persons with developmental	
19	disabilities	151,000
20	Family, maternal, and children's health services	
21	administration--46.1 FTE positions.....	7,817,800
22	Family planning local agreements	8,310,700
23	Local MCH services	7,018,100
24	Pregnancy prevention program	602,100
25	Prenatal care outreach and service delivery	
26	support--14.0 FTE positions	19,685,700
27	Special projects	6,832,900

1	Sudden infant death syndrome program.....		<u>321,300</u>
2	GROSS APPROPRIATION.....	\$	53,623,400
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		41,805,000
6	Special revenue funds:		
7	Total local revenues.....		75,000
8	Total private revenues.....		874,500
9	State general fund/general purpose.....	\$	10,868,900
10	Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND		
11	NUTRITION PROGRAM		
12	Full-time equated classified positions.....	45.0	
13	Women, infants, and children program administration		
14	and special projects--45.0 FTE positions.....	\$	17,923,200
15	Women, infants, and children program local		
16	agreements and food costs		<u>256,285,000</u>
17	GROSS APPROPRIATION.....	\$	274,208,200
18	Appropriated from:		
19	Federal revenues:		
20	Total federal revenues.....		213,130,300
21	Special revenue funds:		
22	Total private revenues.....		61,077,900
23	State general fund/general purpose.....	\$	0
24	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
25	Full-time equated classified positions.....	46.8	
26	Children's special health care services		
27	administration--44.0 FTE positions.....	\$	5,582,100

1	Bequests for care and services--2.8 FTE positions	1,528,800
2	Outreach and advocacy.....	5,510,000
3	Nonemergency medical transportation.....	1,505,900
4	Medical care and treatment.....	<u>187,931,700</u>
5	GROSS APPROPRIATION.....	\$ 202,058,500
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	106,258,400
9	Special revenue funds:	
10	Total private revenues.....	1,009,300
11	Total other state restricted revenues.....	3,857,400
12	State general fund/general purpose.....	\$ 90,933,400
13	Sec. 115. CRIME VICTIM SERVICES COMMISSION	
14	Full-time equated classified positions..... 13.0	
15	Grants administration services--13.0 FTE positions ...	\$ 2,128,100
16	Justice assistance grants.....	15,000,000
17	Crime victim rights services grants.....	<u>16,870,000</u>
18	GROSS APPROPRIATION.....	\$ 33,998,100
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	18,696,900
22	Special revenue funds:	
23	Total other state restricted revenues.....	15,301,200
24	State general fund/general purpose.....	\$ 0
25	Sec. 116. OFFICE OF SERVICES TO THE AGING	
26	Full-time equated classified positions..... 40.0	
27	Office of services to aging administration--40.0 FTE	

1	positions	\$	7,600,700
2	Community services.....		39,013,900
3	Nutrition services.....		39,044,000
4	Foster grandparent volunteer program.....		2,233,600
5	Retired and senior volunteer program.....		627,300
6	Senior companion volunteer program.....		1,604,400
7	Employment assistance.....		3,500,000
8	Respite care program.....		<u>5,868,700</u>
9	GROSS APPROPRIATION.....	\$	99,492,600
10	Appropriated from:		
11	Federal revenues:		
12	Total federal revenues.....		57,534,600
13	Special revenue funds:		
14	Total private revenues.....		677,500
15	Merit award trust fund.....		4,068,700
16	Total other state restricted revenues.....		1,400,000
17	State general fund/general purpose.....	\$	35,811,800
18	Sec. 117. MEDICAL SERVICES ADMINISTRATION		
19	Full-time equated classified positions..... 495.5		
20	Medical services administration--435.5 FTE positions .	\$	79,697,800
21	Healthy Michigan plan administration--36.0 FTE		
22	positions		49,353,800
23	Facility inspection contract.....		132,800
24	MIChild administration.....		3,500,000
25	Electronic health record incentive program--24.0 FTE		
26	positions		<u>144,233,600</u>
27	GROSS APPROPRIATION.....	\$	276,918,000

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues.....	233,720,400
4	Special revenue funds:	
5	Total local revenues.....	105,900
6	Total private revenues.....	100,000
7	Total other state restricted revenues.....	331,700
8	State general fund/general purpose.....	\$ 42,660,000
9	Sec. 118. MEDICAL SERVICES	
10	Hospital services and therapy.....	\$ 1,251,951,200
11	Hospital disproportionate share payments.....	45,000,000
12	Physician services.....	393,821,100
13	Medicare premium payments.....	408,503,400
14	Pharmaceutical services.....	303,791,800
15	Home health services.....	5,804,700
16	Hospice services.....	111,982,500
17	Transportation.....	23,288,200
18	Auxiliary medical services.....	7,268,800
19	Dental services.....	200,341,500
20	Ambulance services.....	11,000,000
21	Long-term care services.....	1,393,963,800
22	Integrated care organizations.....	478,495,500
23	Medicaid home- and community-based services waiver...	325,318,000
24	Adult home help services.....	302,440,800
25	Personal care services.....	12,237,000
26	Program of all-inclusive care for the elderly.....	66,672,600
27	Autism services.....	25,171,800

1	Health plan services.....	4,905,539,800
2	Health insurer fee reserve fund.....	87,057,500
3	MIChild program.....	71,220,100
4	Special indigent care payments.....	10,000,000
5	Federal Medicare pharmaceutical program.....	150,883,900
6	Maternal and child health.....	20,279,500
7	Healthy Michigan plan.....	2,376,690,900
8	Subtotal basic medical services program.....	12,988,724,400
9	School-based services.....	112,102,700
10	Special Medicaid reimbursement.....	321,831,500
11	Subtotal special medical services payments.....	<u>433,934,200</u>
12	GROSS APPROPRIATION.....	\$ 13,422,658,600
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	9,656,901,100
16	Special revenue funds:	
17	Total local revenues.....	30,583,200
18	Total private revenues.....	2,100,000
19	Merit award trust fund.....	64,266,000
20	Roads and risks reserve fund.....	60,900,000
21	Total other state restricted revenues.....	1,814,320,300
22	State general fund/general purpose.....	\$ 1,793,588,000
23	Sec. 119. INFORMATION TECHNOLOGY	
24	Information technology services and projects.....	\$ 37,002,700
25	Michigan Medicaid information system.....	<u>50,201,100</u>
26	GROSS APPROPRIATION.....	\$ 87,203,800
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	45,480,400
3	Special revenue funds:	
4	Total private revenues.....	20,000,000
5	Total other state restricted revenues.....	1,988,000
6	State general fund/general purpose.....	\$ 19,735,400
7	Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS	
8	University autism programs.....	\$ 7,000,000
9	Autism family assistance services.....	1,500,000
10	Pay for success contracts.....	1,500,000
11	Bone marrow transplant registry.....	250,000
12	Child and adolescent health services.....	2,000,000
13	Mental health commission recommendations.....	8,962,500
14	Dental clinic program.....	4,092,300
15	Healthy kids dental computer project.....	3,000,000
16	Statewide trauma system.....	1,300,000
17	Senior Olympics.....	<u>100,000</u>
18	GROSS APPROPRIATION.....	\$ 29,704,800
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	6,662,500
22	Special revenue funds:	
23	Autism coverage fund.....	5,500,000
24	State general fund/general purpose.....	\$ 17,542,300

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PART 2

PROVISIONS CONCERNING APPROPRIATIONS
 FOR FISCAL YEAR 2014-2015

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2014-2015 is \$5,301,104,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$1,108,135,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

Community residential and support services	\$	757,200
Housing and support services		812,800

BEHAVIORAL HEALTH SERVICES

State disability assistance program substance use disorder services	\$	2,018,000
Community substance use disorder prevention, education, and treatment programs		14,553,400
Medicaid mental health services		772,083,300
Community mental health non-Medicaid services		97,050,400
Mental health services for special populations		8,842,800
Medicaid substance use disorder services		15,806,200
Children's waiver home care program		6,056,200
Nursing home PAS/ARR-OBRA		2,725,300

PUBLIC HEALTH ADMINISTRATION

Health and wellness initiatives	\$	3,584,600
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1	HEALTH POLICY		
2	Primary care services.....	\$	413,900
3	LABORATORY SERVICES		
4	Laboratory services.....	\$	16,200
5	EPIDEMIOLOGY AND INFECTIOUS DISEASE		
6	Sexually transmitted disease control program.....	\$	175,200
7	Immunization program.....		1,123,500
8	LOCAL HEALTH ADMINISTRATION AND GRANTS		
9	Implementation of 1993 PA 133, MCL 333.17015.....	\$	5,000
10	Essential local public health services.....		35,736,100
11	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
12	AIDS prevention, testing, and care programs.....	\$	1,600,100
13	Cancer prevention and control program.....		94,700
14	Chronic disease and health promotion administration..		12,000
15	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
16	Prenatal care outreach and service delivery support ..	\$	1,500,000
17	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
18	Medical care and treatment.....	\$	939,700
19	Outreach and advocacy.....		2,226,000
20	CRIME VICTIM SERVICES COMMISSION		
21	Crime victim rights services grants.....	\$	7,200,600
22	OFFICE OF SERVICES TO THE AGING		
23	Community services.....	\$	16,533,500
24	Nutrition services.....		10,587,000
25	Foster grandparent volunteer program.....		657,100
26	Retired and senior volunteer program.....		173,900
27	Senior companion volunteer program.....		348,800

1	Respite care program.....		5,115,000
2	MEDICAL SERVICES		
3	Dental services.....	\$	990,600
4	Long-term care services.....		84,754,000
5	Transportation.....		1,359,300
6	Hospital services and therapy.....		2,344,700
7	Physician services.....		<u>9,938,200</u>
8	TOTAL OF PAYMENTS TO LOCAL UNITS		
9	OF GOVERNMENT.....	\$	1,108,135,300

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

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

14 (a) "AIDS" means acquired immunodeficiency syndrome.

15 (b) "CMHSP" means a community mental health services program
16 as that term is defined in section 100a of the mental health code,
17 1974 PA 258, MCL 330.1100a.

18 (c) "Current fiscal year" means the fiscal year ending
19 September 30, 2015.

20 (d) "Department" means the department of community health.

21 (e) "Director" means the director of the department.

22 (f) "DSH" means disproportionate share hospital.

23 (g) "EPSDT" means early and periodic screening, diagnosis, and
24 treatment.

25 (h) "Federal poverty level" means the poverty guidelines
26 published annually in the federal register by the United States
27 department of health and human services under its authority to

1 revise the poverty line under 42 USC 9902.

2 (i) "FTE" means full-time equated.

3 (j) "GME" means graduate medical education.

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

7 (l) "HEDIS" means healthcare effectiveness data and
8 information set.

9 (m) "HIV" means human immunodeficiency virus.

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) "MCH" means maternal and child health.

14 (q) "MICHild" means the program described in section 1670.

15 (r) "PAS/ARR-OBRA" means the preadmission screening and annual
16 resident review required under the omnibus budget reconciliation
17 act of 1987, section 1919(e)(7) of the social security act, 42 USC
18 1396r.

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

27 (t) "Temporary assistance for needy families" means part A of

1 title IV of the social security act, 42 USC 601 to 619.

2 (u) "Title X" means title X of the public health service act,
3 42 USC 300 to 300a-8, that establishes grants to states for family
4 planning services.

5 (v) "Title XVIII" and "Medicare" mean title XVIII of the
6 social security act, 42 USC 1395 to 1395kkk-1.

7 (w) "Title XIX" and "Medicaid" mean title XIX of the social
8 security act, 42 USC 1396 to 1396w-5.

9 Sec. 204. (1) For each new program or program expansion for
10 which funds in excess of \$500,000.00 are appropriated in part 1,
11 the department shall identify specific benchmarks intended to
12 measure the performance or return on taxpayer investment of the
13 program and its associated expenditures. Not later than November 1,
14 2014, the department shall report the proposed benchmarks to the
15 house and senate appropriations subcommittees for that department,
16 the house and senate fiscal agencies, and the state budget
17 director. The department shall provide an update on its progress in
18 achieving those benchmarks at an appropriations subcommittee
19 meeting called for the purpose of discussing benchmarks and their
20 status.

21 (2) It is the intent of the legislature that, beginning with
22 the budget for the fiscal year ending September 30, 2016, any
23 proposal for a new program or an expansion of an existing program
24 in excess of \$500,000.00 initiated by the executive branch or the
25 legislature shall include, as part of the original proposal or
26 budget request, a list of benchmarks intended to measure the
27 performance or return on taxpayer investment of the program or

1 spending increase.

2 Sec. 206. (1) In addition to the funds appropriated in part 1,
3 there is appropriated an amount not to exceed \$200,000,000.00 for
4 federal contingency funds. These funds are not available for
5 expenditure until they have been transferred to another line item
6 in part 1 under section 393(2) of the management and budget act,
7 1984 PA 431, MCL 18.1393.

8 (2) In addition to the funds appropriated in part 1, there is
9 appropriated an amount not to exceed \$40,000,000.00 for state
10 restricted 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.

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

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

26 Sec. 207. The department shall maintain, on a public
27 accessible website, a department scorecard that identifies, tracks,

1 and regularly updates key metrics that are used to monitor and
2 improve the department's performance.

3 Sec. 208. The departments and agencies receiving
4 appropriations in part 1 shall use the Internet to fulfill the
5 reporting requirements of this part and part 1. This requirement
6 may include transmission of reports via electronic mail to the
7 recipients identified for each reporting requirement, or it may
8 include placement of reports on the Internet or Intranet site.

9 Sec. 209. Funds appropriated in part 1 shall not be used for
10 the purchase of foreign goods or services, or both, if
11 competitively priced and of comparable quality American goods or
12 services, or both, are available. Preference shall be given to
13 goods or services, or both, manufactured or provided by Michigan
14 businesses if they are competitively priced and of comparable
15 quality. In addition, preference shall be given to goods or
16 services, or both, that are manufactured or provided by Michigan
17 businesses owned and operated by veterans if they are competitively
18 priced and of comparable quality.

19 Sec. 210. The director and the director of the office of
20 services to the aging shall take all reasonable steps to ensure
21 businesses in deprived and depressed communities compete for and
22 perform contracts to provide services or supplies, or both. The
23 director and the director of the office of services to the aging
24 shall strongly encourage firms with which the department contracts
25 to subcontract with certified businesses in depressed and deprived
26 communities for services, supplies, or both.

27 Sec. 211. If the revenue collected by the department from fees

1 and collections exceeds the amount appropriated in part 1, the
2 revenue may be carried forward with the approval of the state
3 budget director into the subsequent fiscal year. The revenue
4 carried forward under this section shall be used as the first
5 source of funds in the subsequent fiscal year.

6 Sec. 212. (1) On or before February 1 of the current fiscal
7 year, the department shall report to the house and senate
8 appropriations subcommittees on community health, the house and
9 senate fiscal agencies, and the state budget director on the
10 detailed name and amounts of federal, restricted, private, and
11 local sources of revenue that support the appropriations in each of
12 the line items in part 1.

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

19 Sec. 213. The state departments, agencies, and commissions
20 receiving tobacco tax funds and healthy Michigan funds from part 1
21 shall report by April 1 of the current fiscal year to the senate
22 and house appropriations committees, the senate and house fiscal
23 agencies, and the state budget director on the following:

24 (a) Detailed spending plan by appropriation line item
25 including description of programs and a summary of organizations
26 receiving these funds.

27 (b) Description of allocations or bid processes including need

1 or demand indicators used to determine allocations.

2 (c) Eligibility criteria for program participation and maximum
3 benefit levels where applicable.

4 (d) Outcome measures used to evaluate programs, including
5 measures of the effectiveness of these programs in improving the
6 health of Michigan residents.

7 (e) Any other information considered necessary by the house of
8 representatives or senate appropriations committees or the state
9 budget director.

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

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

21 Sec. 218. The department shall include the following in its
22 annual list of proposed basic health services as required in part
23 23 of the public health code, 1978 PA 368, MCL 333.2301 to
24 333.2321:

25 (a) Immunizations.

26 (b) Communicable disease control.

27 (c) Sexually transmitted disease control.

1 (d) Tuberculosis control.

2 (e) Prevention of gonorrhoea eye infection in newborns.

3 (f) Screening newborns for the conditions listed in section
4 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
5 recommended by the newborn screening quality assurance advisory
6 committee created under section 5430 of the public health code,
7 1978 PA 368, MCL 333.5430.

8 (g) Community health annex of the Michigan emergency
9 management plan.

10 (h) Prenatal care.

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

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

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

25 (c) The expected project duration.

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

1 subgrantee.

2 (2) On or before September 30 of the current fiscal year, the
3 department shall provide to the same parties listed in subsection
4 (1) a copy of all reports, studies, and publications produced by
5 the Michigan public health institute, its subcontractors, or the
6 department with the funds appropriated in part 1 and allocated to
7 the Michigan public health institute.

8 Sec. 223. The department may establish and collect fees for
9 publications, videos and related materials, conferences, and
10 workshops. Collected fees shall be used to offset expenditures to
11 pay for printing and mailing costs of the publications, videos and
12 related materials, and costs of the workshops and conferences. The
13 department shall not collect fees under this section that exceed
14 the cost of the expenditures.

15 Sec. 252. The appropriations in part 1 for healthy Michigan
16 plan-behavioral health, healthy Michigan plan administration, and
17 healthy Michigan plan are contingent on the provisions of the
18 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were
19 contained in 2013 PA 107 not being amended, repealed, or otherwise
20 altered to eliminate the healthy Michigan plan. If that occurs,
21 then, upon the effective date of the amendatory act that amends,
22 repeals, or otherwise alters those provisions, the remaining funds
23 in the healthy Michigan plan-behavioral health, healthy Michigan
24 plan administration, and healthy Michigan plan line items shall
25 only be used to pay previously incurred costs and any remaining
26 appropriations shall not be allotted to support those line items.

27 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid

1 state plan amendment, or a similar proposal to the centers for
2 Medicare and Medicaid services, the department shall notify the
3 house and senate appropriations subcommittees on community health
4 and the house and senate fiscal agencies of the submission.

5 (2) The department shall provide written or verbal biannual
6 reports to the senate and house appropriations subcommittees on
7 community health and the senate and house fiscal agencies
8 summarizing the status of any new or ongoing discussions with the
9 centers for Medicare and Medicaid services or the federal
10 department of health and human services regarding potential or
11 future Medicaid waiver applications.

12 (3) The department shall inform the senate and house
13 appropriations subcommittees on community health and the senate and
14 house fiscal agencies of any alterations or adjustments made to the
15 published plan for integrated care for individuals who are dual
16 Medicare/Medicaid eligibles when the final version of the plan has
17 been submitted to the federal centers for Medicare and Medicaid
18 services or the federal department of health and human services.

19 (4) At least 30 days before implementation of the plan for
20 integrated care for individuals who are dual Medicare/Medicaid
21 eligibles, the department shall submit the plan to the legislature
22 for review.

23 Sec. 266. The departments and agencies receiving
24 appropriations in part 1 shall prepare a report on out-of-state
25 travel expenses not later than January 1 of each year. The travel
26 report shall be a listing of all travel by classified and
27 unclassified employees outside this state in the immediately

1 preceding fiscal year that was funded in whole or in part with
2 funds appropriated in the department's budget. The report shall be
3 submitted to the senate and house appropriations committees, the
4 house and senate fiscal agencies, and the state budget director.
5 The report shall include the following information:

6 (a) The dates of each travel occurrence.

7 (b) The transportation and related costs of each travel
8 occurrence, including the proportion funded with state general
9 fund/general purpose revenues, the proportion funded with state
10 restricted revenues, the proportion funded with federal revenues,
11 and the proportion funded with other revenues.

12 Sec. 267. The department shall not take disciplinary action
13 against an employee for communicating with a member of the
14 legislature or his or her staff.

15 Sec. 270. Within 180 days after receipt of the notification
16 from the attorney general's office of a legal action in which
17 expenses had been recovered pursuant to section 106(4) of the
18 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
19 under which the department has the right to recover expenses, the
20 department shall submit a written report to the house and senate
21 appropriations subcommittees on community health, the house and
22 senate fiscal agencies, and the state budget office which includes,
23 at a minimum, all of the following:

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

25 (b) The program or service for which the money was originally
26 expended.

27 (c) Details on the disposition of the funds recovered such as

1 the appropriation or revenue account in which the money was
2 deposited.

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

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

10 Sec. 282. (1) The department shall work with the department of
11 technology, management, and budget to establish an automated annual
12 metric collection, validation, and reporting system for contracts
13 via the state's e-procurement system by September 30 of the current
14 fiscal year. The department shall report the status of this work
15 and a project plan to the house and senate appropriations
16 subcommittees on community health and the house and senate fiscal
17 agencies by November 1 and May 1 of the current fiscal year.

18 (2) By June 30, 2016, the automated system established in
19 subsection (1) shall be able to generate a report to the house and
20 senate appropriations subcommittees on community health and the
21 house and senate fiscal agencies that presents performance metrics
22 on all new or existing contracts at renewal of \$1,000,000.00 or
23 more funded only with state general fund/general purpose or state
24 restricted resources. The performance metrics shall include, at a
25 minimum, service delivery volumes and provider or beneficiary
26 outcomes.

27 Sec. 287. Not later than November 30, the state budget office

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

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

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

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

25 Sec. 292. The department shall cooperate with the department
26 of technology, management, and budget to maintain a searchable
27 website accessible by the public at no cost that includes, but is

1 not limited to, all of the following:

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

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

4 (c) Fiscal year-to-date payments to a selected vendor,
5 including the vendor name, payment date, payment amount, and
6 payment description.

7 (d) The number of active department employees by job
8 classification.

9 (e) Job specifications and wage rates.

10 Sec. 296. Within 14 days after the release of the executive
11 budget recommendation, the department shall cooperate with the
12 state budget office to provide the senate and house appropriations
13 chairs, the senate and house appropriations subcommittees on
14 community health, and the senate and house fiscal agencies with an
15 annual report on estimated state restricted fund balances, state
16 restricted fund projected revenues, and state restricted fund
17 expenditures for the fiscal years ending September 30, 2014 and
18 September 30, 2015.

19 Sec. 297. Total authorized appropriations from all sources
20 under part 1 for legacy costs for the fiscal year ending September
21 30, 2015 are \$89,124,600.00. From this amount, total agency
22 appropriations for pension-related legacy costs are estimated at
23 \$449,676,000.00. Total agency appropriations for retiree health
24 care legacy costs are estimated at \$39,448,600.00.

25 Sec. 298. From the funds appropriated in part 1 for the
26 Michigan Medicaid information system line item, \$20,000,000.00 in
27 private revenue will be allocated for the Michigan-Illinois

1 alliance Medicaid management information systems project.

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

12 **BEHAVIORAL HEALTH SERVICES**

13 Sec. 401. Funds appropriated in part 1 are intended to support
14 a system of comprehensive community mental health services under
15 the full authority and responsibility of local CMHSPs or PIHPs in
16 accordance with the mental health code, 1974 PA 258, MCL 330.1001
17 to 330.2106, the Medicaid provider manual, federal Medicaid
18 waivers, and all other applicable federal and state laws.

19 Sec. 402. (1) From funds appropriated in part 1, final
20 authorizations to CMHSPs or PIHPs shall be made upon the execution
21 of contracts between the department and CMHSPs or PIHPs. The
22 contracts shall contain an approved plan and budget as well as
23 policies and procedures governing the obligations and
24 responsibilities of both parties to the contracts. Each contract
25 with a CMHSP or PIHP that the department is authorized to enter
26 into under this subsection shall include a provision that the

1 contract is not valid unless the total dollar obligation for all of
2 the contracts between the department and the CMHSPs or PIHPs
3 entered into under this subsection for the current fiscal year does
4 not exceed the amount of money appropriated in part 1 for the
5 contracts authorized under this subsection.

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

10 (a) Any new contracts with CMHSPs or PIHPs that would affect
11 rates or expenditures are enacted.

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

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

17 Sec. 403. (1) From the funds appropriated in part 1 for mental
18 health services for special populations, the department may require
19 each contractor to provide data and information on performance-
20 related metrics. These metrics may include, but are not limited to,
21 all of the following:

22 (a) Each contractor or subcontractor shall have a mission that
23 is consistent with the purpose of multicultural integration
24 funding.

25 (b) Each contractor shall validate that any subcontractors
26 utilized within these appropriations share the same mission as the
27 lead agency receiving funding.

1 (c) Each contractor or subcontractor shall demonstrate cost-
2 effectiveness.

3 (d) Each contractor or subcontractor shall ensure its ability
4 to leverage private dollars to strengthen and maximize service
5 provision.

6 (e) Each contractor or subcontractor shall provide timely and
7 accurate reports regarding the number of clients served, units of
8 service provision, and ability to meet its stated goals.

9 (2) The department shall require an annual report from the
10 contractors that receive mental health services for special
11 populations funding. The annual report, due 60 days following the
12 end of the contract period, shall include specific information on
13 services and programs provided, the client base to which the
14 services and programs were provided, information on any wraparound
15 services provided, and the expenditures for those services. The
16 department shall provide the annual reports to the senate and house
17 appropriations subcommittees on community health, the senate and
18 house fiscal agencies, and the state budget office.

19 (3) The department of human services and the department shall
20 convene a workgroup to discuss and make recommendations on
21 including accreditation in the contractor specifications and
22 potentially moving toward competitive bidding. Each contractor
23 required to provide data per this section shall be invited to
24 participate in the workgroup.

25 Sec. 404. (1) Not later than May 31 of the current fiscal
26 year, the department shall provide a report on the community mental
27 health services programs, PIHPs, regional entities designated by

1 the department as PIHPs, and managing entities for substance use
2 disorders to the members of the house and senate appropriations
3 subcommittees on community health, the house and senate fiscal
4 agencies, and the state budget director that includes the
5 information required by this section.

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

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

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

15 (c) Financial information that, minimally, includes a
16 description of funding authorized; expenditures by client group and
17 fund source; and cost information by service category, including
18 administration and funds specified for outside contracts. Service
19 category includes all department-approved services.

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

24 (e) Information about access to community mental health
25 services programs that includes, but is not limited to, the
26 following:

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

1 (ii) The number of people who requested services but did not
2 receive services.

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

5 (g) An analysis of information provided by CMHSPs in response
6 to the needs assessment requirements of the mental health code,
7 1974 PA 258, MCL 330.1001 to 330.2106, including information about
8 the number of individuals in the service delivery system who have
9 requested and are clinically appropriate for different services.

10 (h) Lapses and carryforwards during the immediately preceding
11 fiscal year for CMHSPs, PIHPs, regional entities designated by the
12 department as PIHPs, and managing entities for substance use
13 disorders.

14 (i) Information about contracts for both administrative and
15 mental health services entered into by CMHSPs, PIHPs, regional
16 entities designated by the department as PIHPs, and managing
17 entities for substance use disorders with providers and others,
18 including, but not limited to, all of the following:

19 (i) The amount of the contract, organized by type of service
20 provided.

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

22 (iii) Administrative costs, including contract and consultant
23 costs, for services provided to CMHSPs, PIHPs, regional entities
24 designated by the department as PIHPs, and managing entities for
25 substance use disorders.

26 (j) Information on the community mental health Medicaid
27 managed care program, including, but not limited to, both of the

1 following:

2 (i) Expenditures by each CMHSP, PIHP, regional entity
3 designated by the department as a PIHP, and managing entity for
4 substance use disorders organized by Medicaid eligibility group,
5 including per eligible individual expenditure averages.

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

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

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

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

27 Sec. 406. (1) The funds appropriated in part 1 for the state

1 disability assistance substance use disorder services program shall
2 be used to support per diem room and board payments in substance
3 use disorder residential facilities. Eligibility of clients for the
4 state disability assistance substance use disorder services program
5 shall include needy persons 18 years of age or older, or
6 emancipated minors, who reside in a substance use disorder
7 treatment center.

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

15 Sec. 407. (1) The amount appropriated in part 1 for substance
16 use disorder prevention, education, and treatment grants shall be
17 expended to coordinate care and services provided to individuals
18 with severe and persistent mental illness and substance use
19 disorder diagnoses.

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

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

27 Sec. 408. (1) By April 1 of the current fiscal year, the

1 department shall report the following data from the prior fiscal
2 year on substance use disorder prevention, education, and treatment
3 programs to the senate and house appropriations subcommittees on
4 community health, the senate and house fiscal agencies, and the
5 state budget office:

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

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

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

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

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

25 Sec. 410. The department shall assure that substance use
26 disorder treatment is provided to applicants and recipients of
27 public assistance through the department of human services who are

1 required to obtain substance use disorder treatment as a condition
2 of eligibility for public assistance.

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

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

18 Sec. 412. The department shall contract directly with the
19 Salvation Army harbor light program to provide non-Medicaid
20 substance use disorder services.

21 Sec. 418. On or before the tenth of each month, the department
22 shall report to the senate and house appropriations subcommittees
23 on community health, the senate and house fiscal agencies, and the
24 state budget director on the amount of funding paid to PIHPs to
25 support the Medicaid managed mental health care program in the
26 preceding month. The information shall include the total paid to
27 each PIHP, per capita rate paid for each eligibility group for each

1 PIHP, and number of cases in each eligibility group for each PIHP,
2 and year-to-date summary of eligibles and expenditures for the
3 Medicaid managed mental health care program.

4 Sec. 424. Each PIHP that contracts with the department to
5 provide services to the Medicaid population shall adhere to the
6 following timely claims processing and payment procedure for claims
7 submitted by health professionals and facilities:

8 (a) A "clean claim" as described in section 111i of the social
9 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
10 days after receipt of the claim by the PIHP. A clean claim that is
11 not paid within this time frame shall bear simple interest at a
12 rate of 12% per annum.

13 (b) A PIHP shall state in writing to the health professional
14 or facility any defect in the claim within 30 days after receipt of
15 the claim.

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

20 Sec. 428. Each PIHP shall provide, from internal resources,
21 local funds to be used as a bona fide part of the state match
22 required under the Medicaid program in order to increase capitation
23 rates for PIHPs. These funds shall not include either state funds
24 received by a CMHSP for services provided to non-Medicaid
25 recipients or the state matching portion of the Medicaid capitation
26 payments made to a PIHP.

27 Sec. 435. A county required under the provisions of the mental

1 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
2 matching funds to a CMHSP for mental health services rendered to
3 residents in its jurisdiction shall pay the matching funds in equal
4 installments on not less than a quarterly basis throughout the
5 fiscal year, with the first payment being made by October 1 of the
6 current fiscal year.

7 Sec. 494. (1) Contingent upon federal approval, if a CMHSP,
8 PIHP, or subcontracting provider agency is reviewed and accredited
9 by a national accrediting entity for behavioral health care
10 services, the department, by April 1 of the current fiscal year,
11 shall consider that CMHSP, PIHP, or subcontracting provider agency
12 in compliance with state program review and audit requirements that
13 are addressed and reviewed by that national accrediting entity.

14 (2) By June 1 of the current fiscal year, the department shall
15 report to the house and senate appropriations subcommittees on
16 community health, the house and senate fiscal agencies, and the
17 state budget office all of the following:

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

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

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

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

1 (3) The department shall continue to comply with state and
2 federal law and shall not initiate an action that negatively
3 impacts beneficiary safety.

4 (4) As used in this section, "national accrediting entity"
5 means the joint commission on accreditation of healthcare
6 organizations, the commission on accreditation of rehabilitation
7 facilities, the council of accreditation, the utilization review
8 accreditation commission, the national committee for quality
9 assurance, or other appropriate entity, as approved by the
10 department.

11 Sec. 495. From the funds appropriated in part 1 for behavioral
12 health program administration, \$3,350,000.00 is intended to address
13 the recommendations of the mental health diversion council.

14 Sec. 497. 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. 502. (1) The department shall continue developing an
18 outreach program on fetal alcohol syndrome services. The department
19 shall report to the senate and house appropriations subcommittees
20 on community health and the senate and house fiscal agencies by
21 April 1 of the current fiscal year on efforts to prevent and combat
22 fetal alcohol syndrome as well as deficiencies in efforts to reduce
23 the incidence of fetal alcohol syndrome.

24 (2) The department shall explore federal grant funding to
25 address prevention services for fetal alcohol syndrome and reduce
26 alcohol consumption among pregnant women. The department shall
27 submit a progress report to the senate and house appropriations

1 subcommittees on community health and the senate and house fiscal
2 agencies by April 1 of the current fiscal year on efforts to secure
3 federal grants.

4 Sec. 503. The department shall notify the Michigan association
5 of community mental health boards when developing policies and
6 procedures that will impact PIHPs or CMHSPs.

7 Sec. 504. (1) The department shall create a workgroup to make
8 recommendations to achieve more uniformity in capitation payments
9 made to the PIHPs.

10 (2) The workgroup shall include but not be limited to
11 representatives of the department, PIHPs, and CMHSPs.

12 (3) The department shall provide the workgroup's
13 recommendations to the senate and house appropriations
14 subcommittees on community health, the senate and house fiscal
15 agencies, and the state budget director by March 1 of the current
16 fiscal year.

17 Sec. 505. For the purposes of special projects involving high-
18 need children or adults, including the not guilty by reason of
19 insanity population, the department may contract directly with
20 providers of services to these identified populations.

21 Sec. 506. No later than November 30 of the current fiscal
22 year, the department shall provide the house and senate
23 appropriations subcommittees on community health, the house and
24 senate fiscal agencies, and the state budget office with the most
25 recent cost data information submitted by the CMHSPs on how the
26 funds appropriated in part 1 for the community mental health
27 services non-Medicaid services line item were expended by each

1 CMHSP. At a minimum, the information must include CMHSPs general
2 fund/general purpose costs for each of the following categories:
3 administration, prevention, jail diversion and treatment services,
4 MIChild program, children's waiver home care program, children with
5 serious emotional disturbance waiver program, services provided to
6 individuals with mental illness and developmental disabilities who
7 are not eligible for Medicaid, and the Medicaid spend down
8 population.

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

10 Sec. 601. The department shall continue a revenue recapture
11 project to generate additional revenues from third parties related
12 to cases that have been closed or are inactive. A portion of
13 revenues collected through project efforts may be used for
14 departmental costs and contractual fees associated with these
15 retroactive collections and to improve ongoing departmental
16 reimbursement management functions.

17 Sec. 602. The purpose of gifts and bequests for patient living
18 and treatment environments is to use additional private funds to
19 provide specific enhancements for individuals residing at state-
20 operated facilities. Use of the gifts and bequests shall be
21 consistent with the stipulation of the donor. The expected
22 completion date for the use of gifts and bequests donations is
23 within 3 years unless otherwise stipulated by the donor.

24 Sec. 605. (1) The department shall not implement any closures
25 or consolidations of state hospitals, centers, or agencies until
26 CMHSPs or PIHPs have programs and services in place for those

1 individuals currently in those facilities and a plan for service
2 provision for those individuals who would have been admitted to
3 those facilities.

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

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

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

20 Sec. 606. The department may collect revenue for patient
21 reimbursement from first- and third-party payers, including
22 Medicaid and local county CMHSP payers, to cover the cost of
23 placement in state hospitals and centers. The department is
24 authorized to adjust financing sources for patient reimbursement
25 based on actual revenues earned. If the revenue collected exceeds
26 current year expenditures, the revenue may be carried forward with
27 approval of the state budget director. The revenue carried forward

1 shall be used as a first source of funds in the subsequent year.

2 Sec. 608. Effective October 1 of the current fiscal year, the
3 department, in consultation with the department of technology,
4 management, and budget, may maintain a bid process to identify 1 or
5 more private contractors to provide food service and custodial
6 services for the administrative areas at any state hospital
7 identified by the department as capable of generating savings
8 through the outsourcing of such services.

9 **PUBLIC HEALTH ADMINISTRATION**

10 Sec. 650. By October 1 of the current fiscal year, the
11 department shall provide to the senate and house appropriations
12 subcommittees on community health a report that includes detailed
13 information regarding the current process by which fish consumption
14 advisories are created and revised. The department shall include
15 all of the following information in the report:

16 (a) The triggers to begin the process for developing the fish
17 consumption advisories, such as evidence of human disease, fish
18 residue data, and biomonitoring data.

19 (b) The process for developing and modifying a fish
20 consumption advisory, including the data inputs used, the rationale
21 behind the selection of particular fish for collection, whether the
22 process has been independently reviewed and validated by a
23 scientific panel or benchmarked in any way, and the reasons for the
24 lack of any independent review, validation, or benchmarking.

25 (c) The type of data specific to a particular body of water
26 that would be needed to modify a current fish consumption advisory,

1 including the data quality criteria that are used to determine if
2 data are suitable for use in the assessment and exclusions to
3 bodies of data and the justifications for such exclusions.

4 (d) Information on the ways stakeholder input is incorporated
5 into the fish consumption advisory process prior to an advisory
6 being issued.

7 (e) Information on how advisory analyses are documented,
8 including how uncertainty analyses are conducted and reported, with
9 information as to whether these evaluations are publicly available
10 and, if not available, an explanation of why any such evaluations
11 are not publicly available.

12 Sec. 651. The department shall work with the Michigan health
13 endowment fund corporation established pursuant to section 653 of
14 the nonprofit health care corporation reform act, 1980 PA 350, MCL
15 550.1653, to explore ways to expand health and wellness programs.

16 Sec. 654. From the funds appropriated in part 1 for health and
17 wellness initiatives, \$1,000,000.00 shall be allocated for a school
18 children's healthy exercise program to promote and advance physical
19 health for school children in kindergarten through grade 8. The
20 department shall recommend model programs for sites to implement
21 that incorporate evidence-based best practices. The department
22 shall grant no less than 1/2 of the funds appropriated in part 1
23 for before- and after-school programs. The department shall
24 establish guidelines for program sites, which may include schools,
25 community-based organizations, private facilities, recreation
26 centers, or other similar sites. The program format shall encourage
27 local determination of site activities and shall encourage local

1 inclusion of youth in the decision-making regarding site
2 activities. Program goals shall include children experiencing
3 improved physical health and access to physical activity
4 opportunities, the reduction of obesity, providing a safe place to
5 play and exercise, and nutrition education. To be eligible to
6 participate, program sites shall provide a 20% match to the state
7 funding, which may be provided in full, or in part, by a
8 corporation, foundation, or private partner. The department shall
9 seek financial support from corporate, foundation, or other private
10 partners for the program or for individual program sites.

11 HEALTH POLICY

12 Sec. 709. (1) The funds appropriated in part 1 for the
13 Michigan essential health care provider program may also provide
14 loan repayment for dentists that fit the criteria established by
15 part 27 of the public health code, 1978 PA 368, MCL 333.2701 to
16 333.2727.

17 (2) From the funds appropriated in part 1 for the Michigan
18 essential health provider program, the department may reduce the
19 local and private share of the loan and repayment costs to 25% for
20 primary care physicians, particularly obstetricians and
21 gynecologists working in underserved areas.

22 Sec. 712. From the funds appropriated in part 1 for primary
23 care services, \$250,000.00 shall be allocated to free health
24 clinics operating in the state. The department shall distribute the
25 funds equally to each free health clinic. For the purpose of this
26 appropriation, "free health clinics" means nonprofit organizations

1 that use volunteer health professionals to provide care to
2 uninsured individuals.

3 Sec. 713. The department shall continue support of
4 multicultural agencies that provide primary care services from the
5 funds appropriated in part 1.

6 Sec. 715. The department shall evaluate options for
7 incentivizing students attending medical schools in this state to
8 meet their primary care residency requirements in this state and
9 ultimately, for some period of time, to remain in this state and
10 serve as primary care physicians.

11 Sec. 717. (1) The department may award health innovation
12 grants to address emerging issues and encourage cutting edge
13 advances in health care including strategic partners in both the
14 public and private sectors.

15 (2) The unexpended funds appropriated for the health
16 innovation grants are considered work project appropriations, and
17 any unencumbered or unallotted funds are carried forward into the
18 following fiscal year. The following is in compliance with section
19 451a(1) of the management and budget act, 1984 PA 431, MCL
20 18.1451a:

21 (a) The purpose of the project to be carried forward is to
22 address emerging issues and encourage cutting edge advances in
23 health care including strategic partners in both the public and
24 private sectors.

25 (b) The project will be accomplished by providing incentive
26 grants.

27 (c) The estimated cost of this project phase is identified in

1 the appropriation line item.

2 (d) The tentative completion date for the work project is
3 September 30, 2019.

4 **EPIDEMIOLOGY AND INFECTIOUS DISEASE**

5 Sec. 851. (1) From the funds appropriated in part 1 for the
6 healthy homes program, no less than \$1,750,000.00 shall be
7 allocated for lead abatement of homes.

8 (2) The department shall coordinate its lead abatement efforts
9 with the Michigan community action agency association, specifically
10 on the issue of window replacement.

11 Sec. 852. The department shall develop a plan designed to
12 improve Michigan's childhood and adolescent immunization rates. The
13 department shall engage organizations working to provide
14 immunizations and education about the value of vaccines, including,
15 but not limited to, statewide organizations representing health
16 care providers, local public health departments, child health
17 interest groups, and private foundations with a mission to increase
18 immunization rates.

19 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

20 Sec. 901. The amount appropriated in part 1 for implementation
21 of the 1993 additions of or amendments to sections 9161, 16221,
22 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
23 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
24 333.17515, shall be used to reimburse local health departments for
25 costs incurred related to implementation of section 17015(18) of

1 the public health code, 1978 PA 368, MCL 333.17015.

2 Sec. 902. If a county that has participated in a district
3 health department or an associated arrangement with other local
4 health departments takes action to cease to participate in such an
5 arrangement after October 1 of the current fiscal year, the
6 department shall have the authority to assess a penalty from the
7 local health department's operational accounts in an amount equal
8 to no more than 6.25% of the local health department's essential
9 local public health services funding. This penalty shall only be
10 assessed to the local county that requests the dissolution of the
11 health department.

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

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

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

1 services described in subsection (1).

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

3 Sec. 1001. From the funds appropriated in part 1 for chronic
4 disease control and health promotion administration, \$150,000.00 is
5 appropriated for Alzheimer's disease services and shall be remitted
6 to the Alzheimer's association-Michigan chapters for the purpose of
7 carrying out a pilot project in Macomb, Monroe, and St. Joseph
8 Counties. The fiduciary for the funds is the Alzheimer's
9 association-greater Michigan chapter. The Alzheimer's association
10 shall provide enhanced services, including 24/7 helpline, continued
11 care consultation, and support groups, to individuals with
12 Alzheimer's disease or dementia and their families in the 3
13 counties, and partner with a Michigan public university to study
14 whether provision of such in-home support services significantly
15 delays the need for residential long-term care services for
16 individuals with Alzheimer's disease or dementia. The study must
17 also consider potential cost savings related to the delay of long-
18 term care services, if a delay is shown.

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

20 Sec. 1103. By January 3 of the current fiscal year the
21 department shall annually issue to the legislature, and to the
22 public on the Internet, a report providing estimated public funds
23 administered by the department for family planning, sexually
24 transmitted infection prevention and treatment, and pregnancies and
25 births, as well as demographics collected by the department as

1 voluntarily self-reported by individuals utilizing those services.
2 The department shall provide the actual expenditures by marital
3 status or, where actual expenditures are not available, shall
4 provide estimated expenditures by marital status. The department
5 may utilize the Plan First application (Form MSA 1582), MICHild,
6 and Healthy Kids application (DCH 0373) or Assistance Application
7 (DHS 1171) or any other official application for public assistance
8 for medical coverage to determine the actual or estimated public
9 expenditures based on marital status.

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

18 (a) Funding allocations.

19 (b) Actual number of women, children, and adolescents served
20 and amounts expended for each group for the immediately preceding
21 fiscal year.

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

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

27 (3) For the purposes of this section, "rural" means a county,

1 city, village, or township with a population of 30,000 or less,
2 including those entities if located within a metropolitan
3 statistical area.

4 Sec. 1106. Each family planning program receiving federal
5 title X family planning funds under 42 USC 300 to 300a-8 shall be
6 in compliance with all performance and quality assurance indicators
7 that the office of population affairs within the United States
8 department of health and human services specifies in the program
9 guidelines for project grants for family planning services. An
10 agency not in compliance with the indicators shall not receive
11 supplemental or reallocated funds.

12 Sec. 1108. The department shall not use state restricted funds
13 or state general funds appropriated in part 1 in the pregnancy
14 prevention program or family planning local agreements
15 appropriation line items for abortion counseling, referrals, or
16 services.

17 Sec. 1109. (1) From the amounts appropriated in part 1 for
18 dental programs, funds shall be allocated to the Michigan dental
19 association for the administration of a volunteer dental program
20 that provides dental services to the uninsured.

21 (2) Not later than December 1 of the current fiscal year, the
22 department shall report to the senate and house appropriations
23 subcommittees on community health and the senate and house standing
24 committees on health policy the number of individual patients
25 treated, number of procedures performed, and approximate total
26 market value of those procedures from the immediately preceding
27 fiscal year.

1 Sec. 1136. From the funds appropriated in part 1 for prenatal
2 care outreach and service delivery support, \$800,000.00 shall be
3 allocated for a pregnancy and parenting support services program,
4 which program must promote childbirth, alternatives to abortion,
5 and grief counseling. The department shall establish a program with
6 a qualified contractor that will contract with qualified service
7 providers to provide free counseling, support, and referral
8 services to eligible women during pregnancy through 12 months after
9 birth. As appropriate, the goals for client outcomes shall include
10 an increase in client support, an increase in childbirth choice, an
11 increase in adoption knowledge, an improvement in parenting skills,
12 and improved reproductive health through abstinence education. The
13 contractor of the program shall provide for program training,
14 client educational material, program marketing, and annual service
15 provider site monitoring. The department shall submit a report to
16 the house and senate appropriations subcommittees on community
17 health and the house and senate fiscal agencies by April 1 of the
18 current fiscal year on the number of clients served.

19 Sec. 1137. From the funds appropriated in part 1 for prenatal
20 care outreach and service delivery support, not less than
21 \$500,000.00 of funding shall be allocated for evidence-based
22 programs to reduce infant mortality including nurse family
23 partnership programs. The funds shall be used for enhanced support
24 and education to nursing teams or other teams of qualified health
25 professionals, client recruitment in areas designated as
26 underserved for obstetrical and gynecological services and other
27 high-need communities, strategic planning to expand and sustain

1 programs, and marketing and communications of programs to raise
2 awareness, engage stakeholders, and recruit nurses.

3 Sec. 1138. The department shall allocate funds appropriated in
4 section 113 of part 1 for family, maternal, and children's health
5 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

6 Sec. 1139. (1) By November 1, 2014, the department shall work
7 jointly with the department of human services and the Michigan
8 state housing development authority to appoint members to a joint
9 task force to review housing rehabilitation, energy and
10 weatherization, and hazard abatement program policies and to make
11 recommendations for integrating and coordinating project delivery
12 with the goals of serving more families and achieving better
13 outcomes by maximizing state and federal resources. The joint task
14 force must include all of the following:

15 (a) A representative of the department.

16 (b) A representative of the healthy homes section, lead safe
17 home program.

18 (c) A construction management specialist.

19 (d) A representative of the community development division.

20 (e) A representative of the Michigan state housing development
21 authority.

22 (f) An energy and weatherization staff representative from the
23 department of human services.

24 (g) A local weatherization operator.

25 (h) A certified lead professional or a certified lead
26 contractor.

27 (i) Representatives from at least 2 community organizations

1 that address harmful housing conditions.

2 (2) The department and the Michigan state housing development
3 authority shall organize the initial meeting of the task force and
4 shall provide administrative support for the task force.

5 (3) By March 1, 2015, the task force described in subsection
6 (1) shall provide to the house and senate chairs of the
7 appropriations subcommittees for the department and the department
8 of human services, the senate and house fiscal agencies, and the
9 senate and house policy offices a report of its findings and
10 recommendations.

11 Sec. 1140. From the funds appropriated in part 1 for prenatal
12 care outreach and service delivery support, equal consideration
13 shall be given to all eligible evidence-based providers in all
14 regions in contracting for rural health visitation services.

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

16 Sec. 1151. By January 1 of the current fiscal year, the
17 department shall provide to the senate and house appropriations
18 subcommittees on community health, the senate and house fiscal
19 agencies, and the state budget office a report on the number of
20 complaints received regarding access to generic peanut butter by
21 county, and a report on savings gained from implementing the
22 generic peanut butter purchasing requirement within the women,
23 infants, and children food and nutrition program.

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

25 Sec. 1202. The department may do 1 or more of the following:

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

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

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

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

9 Sec. 1205. From the funds appropriated in part 1 for medical
10 care and treatment, the department is authorized to spend up to
11 \$500,000.00 for the continued development and expansion of
12 telemedicine capacity to allow families with children in the
13 children's special health care services program to access specialty
14 providers more readily and in a more timely manner.

15 **CRIME VICTIM SERVICES COMMISSION**

16 Sec. 1302. From the funds appropriated in part 1 for justice
17 assistance grants, up to \$200,000.00 shall be allocated for
18 expansion of forensic nurse examiner programs to facilitate
19 training for improved evidence collection for the prosecution of
20 sexual assault. The funds shall be used for program coordination
21 and training.

22 **OFFICE OF SERVICES TO THE AGING**

23 Sec. 1403. (1) By February 1 of the current fiscal year, the
24 office of services to the aging shall require each region to report
25 to the office of services to the aging and to the legislature home-

1 delivered meals waiting lists based upon standard criteria.

2 Determining criteria shall include all of the following:

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

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

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

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

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

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

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

19 (b) Detail expenditure by each area agency on aging by
20 individual program and administration including both state-funded
21 resources and locally-funded resources.

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

25 **MEDICAL SERVICES ADMINISTRATION**

26 Sec. 1501. The unexpended funds appropriated in part 1 for the

1 electronic health records incentive program are considered work
2 project appropriations, and any unencumbered or unallotted funds
3 are carried forward into the following fiscal year. The following
4 is in compliance with section 451a(1) of the management and budget
5 act, 1984 PA 431, MCL 18.1451a:

6 (a) The purpose of the project to be carried forward is to
7 implement the Medicaid electronic health record program that
8 provides financial incentive payments to Medicaid health care
9 providers to encourage the adoption and meaningful use of
10 electronic health records to improve quality, increase efficiency,
11 and promote safety.

12 (b) The projects will be accomplished according to the
13 approved federal advanced planning document.

14 (c) The estimated cost of this project phase is identified in
15 the appropriation line item.

16 (d) The tentative completion date for the work project is
17 September 30, 2019.

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

22 Sec. 1503. From the funds appropriated in part 1 for Healthy
23 Michigan plan administration, the department shall establish an
24 accounting structure within the Michigan administrative information
25 network that will allow expenditures associated with the
26 administration of the Healthy Michigan plan to be identified.

1 **MEDICAL SERVICES**

2 Sec. 1601. The cost of remedial services incurred by residents
3 of licensed adult foster care homes and licensed homes for the aged
4 shall be used in determining financial eligibility for the
5 medically needy. Remedial services include basic self-care and
6 rehabilitation training for a resident.

7 Sec. 1603. (1) The department may establish a program for
8 individuals to purchase medical coverage at a rate determined by
9 the department.

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

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

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

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

23 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
24 condition is pregnancy, shall immediately be presumed to be
25 eligible for Medicaid coverage unless the preponderance of evidence
26 in her application indicates otherwise. The applicant who is
27 qualified as described in this subsection shall be allowed to

1 select or remain with the Medicaid participating obstetrician of
2 her choice.

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

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

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

27 (5) The department shall develop an enrollment process for

1 pregnant women covered under this section that facilitates the
2 selection of a managed care plan at the time of application.

3 (6) The department shall mandate enrollment of women, whose
4 qualifying condition is pregnancy, into Medicaid managed care
5 plans.

6 (7) The department shall encourage physicians to provide
7 women, whose qualifying condition for Medicaid is pregnancy, with a
8 referral to a Medicaid participating dentist at the first
9 pregnancy-related appointment.

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

23 (2) Notwithstanding subsection (1), medical services
24 reimbursement for hospital services provided to dual
25 Medicare/medical services recipients with Medicare part B coverage
26 only shall equal, when combined with payments for Medicare and
27 other third-party resources, if any, those amounts established for

1 medical services-only patients, including capital payments.

2 Sec. 1620. (1) For fee-for-service recipients who do not
3 reside in nursing homes, the pharmaceutical dispensing fee shall be
4 \$2.75 or the pharmacy's usual or customary cash charge, whichever
5 is less. For nursing home residents, the pharmaceutical dispensing
6 fee shall be \$3.00 or the pharmacy's usual or customary cash
7 charge, whichever is less.

8 (2) The department shall require a prescription co-payment for
9 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
10 brand-name drug, except as prohibited by federal or state law or
11 regulation.

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

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

20 (2) Except as otherwise prohibited by federal or state law or
21 regulations, the department shall require Medicaid recipients to
22 pay the following co-payments:

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

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

25 (c) Fifty dollars for the first day of an inpatient hospital
26 stay.

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

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

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

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

16 (3) Subsections (1) and (2) do not require an alteration to an
17 existing agreement between an HMO and its contracting hospitals and
18 do not require an HMO to reimburse for services that are not
19 considered to be medically necessary.

20 Sec. 1659. The following sections of this part are the only
21 ones that shall apply to the following Medicaid managed care
22 programs, including the comprehensive plan, MIChoice long-term care
23 plan, and the mental health, substance use disorder, and
24 developmentally disabled services program: 404, 411, 418, 428, 494,
25 1607, 1657, 1662, 1699, 1764, 1765, 1815, 1820, 1850, 1881, and
26 1888.

27 Sec. 1662. (1) The department shall assure that an external

1 quality review of each contracting HMO is performed that results in
2 an analysis and evaluation of aggregated information on quality,
3 timeliness, and access to health care services that the HMO or its
4 contractors furnish to Medicaid beneficiaries.

5 (2) The department shall require Medicaid HMOs to provide
6 EPSDT utilization data through the encounter data system, and HEDIS
7 well child health measures in accordance with the national
8 committee for quality assurance prescribed methodology.

9 (3) The department shall provide a copy of the analysis of the
10 Medicaid HMO annual audited HEDIS reports and the annual external
11 quality review report to the senate and house of representatives
12 appropriations subcommittees on community health, the senate and
13 house fiscal agencies, and the state budget director, within 30
14 days of the department's receipt of the final reports from the
15 contractors.

16 Sec. 1670. (1) The appropriation in part 1 for the MIChild
17 program is to be used to provide comprehensive health care to all
18 children under age 19 who reside in families with income at or
19 below 212% of the federal poverty level, who are uninsured and have
20 not had coverage by other comprehensive health insurance within 6
21 months of making application for MIChild benefits, and who are
22 residents of this state. The department shall develop detailed
23 eligibility criteria through the medical services administration
24 public concurrence process, consistent with the provisions of this
25 part and part 1. Health coverage for children in families between
26 160% and 212% of the federal poverty level shall be provided
27 through a state-based private health care program.

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

7 (3) Children whose category of eligibility changes between the
8 Medicaid and MIChild programs shall be assured of keeping their
9 current health care providers through the current prescribed course
10 of treatment for up to 1 year, subject to periodic reviews by the
11 department if the beneficiary has a serious medical condition and
12 is undergoing active treatment for that condition.

13 (4) To be eligible for the MIChild program, a child must be
14 residing in a family with an adjusted gross income of less than or
15 equal to 212% of the federal poverty level. The department's
16 verification policy shall be used to determine eligibility.

17 (5) The department shall contract with Medicaid health plans
18 to provide physical health services to MIChild enrollees. The
19 department may continue to obtain physical health services for
20 MIChild enrollees from health maintenance organizations and
21 preferred provider organizations currently under contract for
22 whatever duration is needed as determined by the department. The
23 department shall contractually require that health plans pay out-
24 of-network providers at the department fee schedule. The department
25 shall contract with qualified dental plans to provide dental
26 coverage for MIChild enrollees.

27 (6) The department may enter into contracts to obtain certain

1 MICHild services from community mental health service programs.

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

7 (8) The department shall assure that an external quality
8 review of each MICHild contractor, as described in subsection (5),
9 is performed, which analyzes and evaluates the aggregated
10 information on quality, timeliness, and access to health care
11 services that the contractor furnished to MICHild beneficiaries.

12 (9) The department shall develop an automatic enrollment
13 algorithm that is based on quality and performance factors.

14 (10) MICHild services shall include treatment for autism
15 spectrum disorders as defined in the federally approved Medicaid
16 state plan.

17 Sec. 1673. The department may establish premiums for MICHild
18 eligible individuals in families with income above 150% of the
19 federal poverty level. The monthly premiums shall not be less than
20 \$10.00 or exceed \$15.00 for a family.

21 Sec. 1677. The MICHild program shall provide all benefits
22 available under the Michigan benchmark plan that are delivered
23 through contracted providers and consistent with federal law,
24 including, but not limited to, the following medically necessary
25 services:

26 (a) Inpatient mental health services, other than substance use
27 disorder treatment services, including services furnished in a

1 state-operated mental hospital and residential or other 24-hour
2 therapeutically planned structured services.

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

6 (c) Durable medical equipment and prosthetic and orthotic
7 devices.

8 (d) Dental services as outlined in the approved MICHild state
9 plan.

10 (e) Substance use disorder treatment services that may include
11 inpatient, outpatient, and residential substance use disorder
12 treatment services.

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

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

16 (h) Emergency ambulance services.

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

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

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

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

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

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

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

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

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

26 Sec. 1694. From the funds appropriated in part 1 for special
27 Medicaid reimbursement, \$378,000.00 of general fund/general purpose

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

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

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

15 (3) By September 30 of the current fiscal year, the department
16 shall report to the senate and house appropriations subcommittees
17 on community health and the senate and house fiscal agencies on the
18 new distribution of funding to each eligible hospital from the GME
19 and DSH pools.

20 Sec. 1724. The department shall allow licensed pharmacies to
21 purchase injectable drugs for the treatment of respiratory
22 syncytial virus for shipment to physicians' offices to be
23 administered to specific patients. If the affected patients are
24 Medicaid eligible, the department shall reimburse pharmacies for
25 the dispensing of the injectable drugs and reimburse physicians for
26 the administration of the injectable drugs.

27 Sec. 1757. The department shall direct the department of human

1 services to obtain proof from all Medicaid recipients that they are
2 legal United States citizens or otherwise legally residing in this
3 country and that they are residents of this state before approving
4 Medicaid eligibility.

5 Sec. 1764. The department shall annually certify rates paid to
6 Medicaid health plans and specialty prepaid inpatient health plans
7 as being actuarially sound in accordance with federal requirements
8 and shall provide a copy of the rate certification and approval
9 immediately to the house and senate appropriations subcommittees on
10 community health and the house and senate fiscal agencies.

11 Sec. 1765. There shall be established a health insurer fee
12 reserve fund of \$30,000,000.00 general fund/general purpose and
13 associated federal match to provide funding to Medicaid health
14 plans for the cost of the 2015 insurance provider's fee under
15 section 9010 of the patient protection and affordable care act,
16 Public Law 111-148, as amended by the health care and education
17 reconciliation act of 2010, Public Law 111-152. Funds will be
18 expended as provided for in this section only after the internal
19 revenue service finalizes the 2015 percent assessment of the fee
20 and the state budget director approves the amount of reimbursement
21 from the fund. The state budget director shall provide notification
22 to the senate and house appropriations subcommittees on community
23 health and the senate and house fiscal agencies at least 15 days
24 before exercising the authority under this section. Upon
25 notification by the state budget director, the funds shall be
26 available for use as a source of financing for Medicaid health plan
27 payments.

1 Sec. 1775. If the state's application for a waiver to
2 implement managed care for dual Medicare/Medicaid eligibles is
3 approved by the federal government, the department shall provide
4 quarterly reports to the senate and house appropriations
5 subcommittees on community health and the senate and house fiscal
6 agencies on progress in implementing the waiver.

7 Sec. 1800. From the \$85,000,000.00 increase in funding in part
8 1 for outpatient disproportionate share hospital payments, the
9 department shall explore establishing a Medicaid value pool that
10 rewards and incentivizes hospitals providing low-cost and high-
11 quality Medicaid services. The department shall convene a workgroup
12 of hospitals to assist in the development of the metrics utilized
13 to determine value, and shall report to the senate and house
14 appropriations subcommittees on community health, the senate and
15 house fiscal agencies, and the state budget director on the results
16 of the workgroup by April 1 of the current fiscal year.

17 Sec. 1801. Beginning January 1, 2015, from the funds
18 appropriated in part 1 for physician services and health plan
19 services, the department shall use \$25,000,000.00 in general
20 fund/general purpose plus associated federal match to increase
21 medicaid rates for primary care services provided only by primary
22 care providers. For the purpose of this section, a primary care
23 provider is a physician, or a practitioner working under the
24 personal supervision of a physician, who is board-eligible or
25 certified with a specialty designation of family medicine, general
26 internal medicine, or pediatric medicine, or a provider who
27 provides the department with documentation of equivalency.

1 Providers performing a service and whose primary practice is as a
2 non-primary-care subspecialty is not eligible for the increase. The
3 department shall establish policies that most effectively limit the
4 increase to primary care providers for primary care services only.

5 Sec. 1802. From the funds appropriated in part 1, a lump-sum
6 payment shall be made to hospitals that qualified for rural
7 hospital access payments in fiscal year 2013-2014 and that provide
8 obstetrical care in the current fiscal year. The payment shall be
9 calculated as \$830.00 for each obstetrical care case payment and
10 each newborn care case payment for all such cases billed by the
11 qualified hospitals for fiscal year 2012-2013 and shall be paid
12 through the Medicaid health plan hospital rate adjustment process
13 by January 1 of the current fiscal year.

14 Sec. 1804. The department, in cooperation with the department
15 of human services and the department of military and veterans
16 affairs, shall work with the federal public assistance reporting
17 information system to identify Medicaid recipients who are veterans
18 and who may be eligible for federal veterans health care benefits
19 or other benefits.

20 Sec. 1815. From the funds appropriated in part 1 for health
21 plan services, the department shall not implement a capitation
22 withhold as part of the overall capitation rate schedule that
23 exceeds the 0.19% withhold administered during fiscal year 2008-
24 2009.

25 Sec. 1820. (1) In order to avoid duplication of efforts, the
26 department shall utilize applicable national accreditation review
27 criteria to determine compliance with corresponding state

1 requirements for Medicaid health plans that have been reviewed and
2 accredited by a national accrediting entity for health care
3 services.

4 (2) Upon submission by Medicaid health plans of a listing of
5 program requirements that are part of the state program review
6 criteria but are not reviewed by an applicable national accrediting
7 entity, the department shall review the listing and provide a
8 recommendation to the house and senate appropriations subcommittees
9 on community health, the house and senate fiscal agencies, and the
10 state budget office as to whether or not state program review
11 should continue. The Medicaid health plans may request the
12 department to convene a workgroup to fulfill this section.

13 (3) The department shall continue to comply with state and
14 federal law and shall not initiate an action that negatively
15 impacts beneficiary safety.

16 (4) As used in this section, "national accrediting entity"
17 means the national committee for quality assurance, the utilization
18 review accreditation committee, or other appropriate entity, as
19 approved by the department.

20 (5) By July 1 of the current fiscal year, the department shall
21 provide a progress report to the house and senate appropriations
22 subcommittees on community health, the house and senate fiscal
23 agencies, and the state budget office on implementation of this
24 section.

25 Sec. 1837. The department shall explore utilization of
26 telemedicine and telepsychiatry as strategies to increase access to
27 services for Medicaid recipients in medically underserved areas.

1 Sec. 1842. (1) Subject to the availability of funds, the
2 department shall adjust the hospital outpatient Medicaid
3 reimbursement rate for qualifying hospitals as provided in this
4 section. The Medicaid reimbursement rate for qualifying hospitals
5 shall be adjusted to provide each qualifying hospital with its
6 actual cost of delivering outpatient services to Medicaid
7 recipients.

8 (2) As used in this section, "qualifying hospital" means a
9 hospital that has not more than 50 staffed beds and is either
10 located outside a metropolitan statistical area or in a
11 metropolitan statistical area but within a city, village, or
12 township with a population of not more than 12,000 according to the
13 official 2010 federal decennial census and within a county with a
14 population of not more than 165,000 according to the official 2010
15 federal decennial census.

16 Sec. 1846. From the funds appropriated in part 1 for graduate
17 medical education, the department shall distribute the funds with
18 an emphasis on the following health care workforce goals:

19 (a) The encouragement of the training of physicians in
20 specialties, including primary care, that are necessary to meet the
21 future needs of residents of this state.

22 (b) The training of physicians in settings that include
23 ambulatory sites and rural locations.

24 Sec. 1848. It is the intent of the legislature that the
25 healthy kids dental program be expanded in fiscal year 2015-2016 to
26 cover Kent, Oakland, and Wayne counties.

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. 1854. The department may work with a provider of kidney
8 dialysis services and renal care as authorized under section 2703
9 of the patient protection and affordable care act, Public Law 111-
10 148, to develop a chronic condition health home program for
11 Medicaid enrollees identified with chronic kidney disease and who
12 are beginning dialysis. If initiated, the department shall develop
13 metrics that evaluate program effectiveness and submit a report by
14 June 1 of the current fiscal year to the senate and house
15 appropriations subcommittees on community health. Metrics shall
16 include cost savings and clinical outcomes.

17 Sec. 1858. Medicaid services shall include treatment for
18 autism spectrum disorders as defined in the federally approved
19 Medicaid state plan. Such alternatives may be coordinated with the
20 Medicaid health plans and the Michigan association of health plans.

21 Sec. 1861. (1) The department shall conduct a review of the
22 efficiency and effectiveness of the current nonemergency
23 transportation system funded in part 1. For nonemergency
24 transportation services provided outside the current broker
25 coverage, the review is contingent on available detailed travel
26 data, including methods of travel, number of people served, travel
27 distances, number of trips, and costs of trips. The department

1 shall report the results of the review required under this
2 subsection to the house and senate appropriations subcommittees on
3 community health and the house and senate fiscal agencies no later
4 than September 30 of the current fiscal year.

5 (2) The department shall create a pilot nonemergency
6 transportation system in at least 2 counties with priority given to
7 Berrien and Muskegon Counties to provide nonemergency
8 transportation services encouraging use of nonprofit entities. The
9 transportation providers selected by the department are responsible
10 for ensuring that federal and state safety and training standards
11 are met.

12 Sec. 1862. From the funds appropriated in part 1, the
13 department shall increase payment rates for Medicaid obstetrical
14 services to 95% of Medicare levels effective October 1, 2014.

15 Sec. 1865. Upon federal approval of the department's proposal
16 for integrated care for individuals who are dual Medicare/Medicaid
17 eligibles, the department shall provide the senate and house
18 appropriations subcommittees on community health and the senate and
19 house fiscal agencies its plan and organizational chart for
20 administering and providing oversight of this proposal. The plan
21 shall include information on how the department intends to organize
22 staff in an integrated manner to ensure that key components of the
23 proposal are implemented effectively.

24 Sec. 1866. (1) From the funds appropriated in part 1 for
25 hospital services and therapy, \$12,000,000.00 in general
26 fund/general purpose revenue and any associated federal match shall
27 be awarded to hospitals that meet criteria established by the

1 department for services to low-income rural residents. One of the
2 reimbursement components of the distribution formula shall be
3 assistance with labor and delivery services.

4 (2) No hospital or hospital system shall receive more than
5 10.0% of the total funding referenced in subsection (1).

6 (3) To allow hospitals to understand their rural payment
7 amounts under this section, the department shall provide hospitals
8 with the methodology for distribution under this section and
9 provide each hospital with its applicable data that are used to
10 determine the payment amounts by August 1 of the current fiscal
11 year. The department shall publish the distribution of payments for
12 the current fiscal year and the immediately preceding fiscal year.

13 (4) The department shall report to the senate and house
14 appropriations subcommittees on community health and the senate and
15 house fiscal agencies on the distribution of funds referenced in
16 subsection (1) by April 1 of the current fiscal year.

17 Sec. 1870. The department shall work in collaboration with
18 Michigan-based medical schools that choose to participate in the
19 creation of a graduate medical education consortium known as
20 MIDocs. The purpose of MIDocs is to develop freestanding residency
21 training programs in primary care and other ambulatory care-based
22 specialties. MIDocs shall design residency training programs to
23 address physician shortage needs in this state, including placing
24 physicians post-residency in underserved communities across this
25 state. MIDocs shall give special consideration to small and rural
26 hospitals with a GME program director. MIDocs' voting members will
27 include any Michigan-based university with a medical school or an

1 affiliated faculty practice physician group that is making a
2 substantial contribution to MIDocs programs. The department shall
3 be a permanent nonvoting member of MIDocs. The department, in
4 collaboration with MIDocs voting members, may also appoint
5 nonvoting members to MIDocs to represent various stakeholders. As
6 the sponsoring institution and fiduciary, MIDocs shall assure
7 initial and continued accreditation from the accreditation council
8 for graduate medical education or ACGME, financial accountability,
9 clinical quality, and compliance. The department shall require an
10 annual report from MIDocs detailing per resident costs for medical
11 training and clinical quality measures. The department shall create
12 MIDocs no later than January 10, 2015. MIDocs shall provide the
13 department with a report proposing the creation of new residency
14 programs and an actionable plan for retaining consortium related
15 students post-residency, especially in underserved communities.
16 From the funds appropriated in part 1, \$500,000.00 is allocated to
17 prepare the report, legally create the consortium, prepare to
18 obtain ACGME accreditation, and develop new residency programs.

19 Sec. 1874. The department may explore ways to work with
20 private providers to develop fraud management solutions to reduce
21 fraud, waste, and abuse in this state's Medicaid program.

22 Sec. 1878. In any project negotiated with the federal
23 government for integrated health care of individuals dually
24 enrolled in Medicaid and Medicare, the department shall seek to
25 assure the existence of an ombudsman program that is not associated
26 with any project service manager or provider. For activities to be
27 undertaken by the ombudsman program, the department shall include,

1 but is not limited to, assisting beneficiaries with navigating
2 complaint and dispute resolution mechanisms, identifying problems
3 in the project's complaint and dispute resolution mechanisms, and
4 reporting to the executive and legislative branches on any such
5 problems and potential solutions for them.

6 Sec. 1879. In any program of integrated service for persons
7 dually enrolled in Medicaid and Medicare that the department
8 negotiates with the federal government, the department shall seek
9 to use the Medicare Part D benefit for prescription drug coverage.

10 Sec. 1881. The department shall create a default eligibility
11 and enrollment determination for newborns so that newborns are
12 assigned to the same Medicaid health plan as the mother at the time
13 of birth.

14 Sec. 1883. For the purposes of more effectively managing
15 inpatient care for Medicaid health plans and Medicaid fee-for-
16 service, the department shall consider developing an appropriate
17 policy and rate for observation stays.

18 Sec. 1886. The department shall work in conjunction with the
19 workgroup established by the department of human services to
20 determine how the state can maximize Medicaid claims for community-
21 based and outpatient treatment services to foster care children and
22 adjudicated youths who are placed in community-based treatment
23 programs. The department shall report to the senate and house
24 appropriations subcommittees on community health, the senate and
25 house fiscal agencies, the senate and house policy offices, and the
26 state budget office by March 1 of the current fiscal year on the
27 findings of the workgroup.

1 Sec. 1888. The department shall establish contract performance
2 standards associated with the capitation withhold provisions under
3 section 1815 for Medicaid health plans at least 3 months in advance
4 of the implementation of those standards. The determination of
5 whether performance standards have been met shall be based
6 primarily on recognized concepts such as 1-year continuous
7 enrollment and the healthcare effectiveness data and information
8 set, HEDIS, audited data.

9 Sec. 1890. From the funds appropriated in part 1 for
10 pharmaceutical services, the department shall ensure Medicaid
11 recipients access to breast pumps to support and encourage
12 breastfeeding. The department shall adjust Medicaid policy to, at a
13 minimum, provide an individual double electric style pump to a
14 breastfeeding mother when a physician prescribes such a device
15 based on diagnosis of mother or infant. If the distribution method
16 for pumps or other equipment is a department contract with durable
17 medical equipment providers, the department shall guarantee
18 providers stock and rent to Medicaid recipients without delay or
19 undue restriction.

20 Sec. 1892. The department shall conduct a workgroup jointly
21 with the department of human services, the department of
22 transportation, the department of corrections, the strategic fund
23 in the department of treasury, and members from both the senate and
24 house of representatives to determine if the state can maximize its
25 services and funding for transportation for low-income, elderly,
26 and disabled individuals through consolidating all of the current
27 transportation services for these populations under 1 department.

1 Sec. 1893. (1) The department, jointly with the department of
2 human services, shall explore the feasibility of securing federal
3 Medicaid funds for children in need of secure residential treatment
4 in this state. The departments shall include an examination of the
5 public juvenile detention facilities or private secure residential
6 facilities in this state as possible treatment sites.

7 (2) If the exploration determines that federal Medicaid funds
8 are available for services to this population, the department,
9 jointly with the department of human services, shall develop a plan
10 to provide stabilization services, assessment, and treatment
11 accordingly.

12 (3) By December 1 of the current fiscal year, the department,
13 jointly with the department of human services, shall provide a
14 progress report to the senate and house subcommittees on community
15 health and the senate and house fiscal agencies outlining all of
16 the following:

17 (a) The findings of the initial exploration.

18 (b) A comparison of similar services provided by juvenile
19 rehabilitation centers that receive Medicaid funds in other states,
20 including, but not limited to, the Woodside Juvenile Rehabilitation
21 Center in the State of Vermont, with those provided in public
22 juvenile detention facilities or private secure residential
23 facilities in this state.

24 (c) Any barriers to securing Medicaid funds for such services
25 in this state.

26 (d) Recommendations for future action, if any.

27 Sec. 1896. (1) From the funds appropriated in part 1 and upon

1 the receipt of private matching funds, the department shall
2 allocate up to \$35,000.00 to identify the impact of gestational
3 diabetes and reduce the impact of the condition on the Medicaid
4 program. These steps shall include all of the following:

5 (a) Reviewing Medicaid claims information and data to
6 determine the average cost of a case of gestational diabetes in
7 comparison to the cost of a noncomplicated pregnancy and the cost
8 of pregnancy for a woman with gestational diabetes.

9 (b) Determining the percentage and number of pregnant women
10 screened for gestational diabetes per established medical criteria.

11 (c) Determining the percentage and number of pregnant women
12 diagnosed with gestational diabetes in the Medicaid program each
13 year in comparison to all pregnant women in the Medicaid program.

14 (2) By September 30 of the current fiscal year, the department
15 shall submit a report to the legislature on steps taken and
16 proposed to increase the screening rate for gestational diabetes in
17 the Medicaid program, to reduce the number of women with
18 undiagnosed gestational diabetes giving birth in the Medicaid
19 program, to increase the number of pregnant women with gestational
20 diabetes receiving appropriate medical care in the Medicaid
21 program, and steps taken to improve the health of unborn and
22 newborn children of women diagnosed with gestational diabetes.

23 Sec. 1897. (1) From the funds appropriated in part 1, the
24 department shall take steps to identify the performance of the
25 Medicaid program on all diabetes-specific performance measures as
26 measured by the national committee for quality assurance and the
27 utilization review accreditation commission. These steps shall

1 include:

2 (a) Reviewing Medicaid claims information and data to
3 determine the performance of the Medicaid program's fee for service
4 and managed care plans for diabetes-specific and diabetes-related
5 measures as assessed by the national committee for quality
6 assurance and the utilization review accreditation commission over
7 the past 5 years.

8 (b) Comparing the claims information and data to the national
9 averages for diabetes-specific and diabetes-related measures as
10 assessed by the national committee for quality assurance and the
11 utilization review accreditation commission over the past 5 years.

12 (c) Identifying areas of strength and deficiencies for these
13 measures specific to the Medicaid program.

14 (2) By September 30 of the current fiscal year, the department
15 shall submit a report on steps taken and proposed to improve
16 national committee for quality assurance and utilization review
17 accreditation commission measure scores for all forms of diabetes
18 within the Medicaid program to the legislature.

19 Sec. 1899. From the funds appropriated in part 1 for personal
20 care services, the department shall increase the personal care
21 services rate by 6% effective October 1 of the current fiscal year.

22 **ONE-TIME BASIS ONLY APPROPRIATIONS**

23 Sec. 1902. (1) From the funds appropriated in part 1 for
24 university autism programs, the department shall make the following
25 allocations:

26 (a) \$1,000,000.00 to the Eastern Michigan University autism

1 center.

2 (b) \$500,000.00 to the Central Michigan University central
3 assessment lending library.

4 (c) \$500,000.00 to the Oakland University center for autism
5 research, education, and support.

6 (d) \$4,000,000.00 to the Western Michigan University autism
7 center of excellence.

8 (e) \$1,000,000.00 to Michigan State University autism
9 services.

10 (2) From the funds appropriated in part 1 for autism family
11 assistance services, \$1,500,000.00 shall be allocated to the autism
12 alliance for autism support services designed to aid individuals
13 and families in choosing treatment and other service options.

14 Sec. 1904. From the funds appropriated in part 1 for the
15 statewide trauma system, the department shall allocate funds to
16 establish and operate statewide systems for trauma, stroke, ST
17 segment elevation myocardial infarction, perinatal, and other time-
18 dependent systems of care.

19 Sec. 1905. From the funds appropriated in part 1 for bone
20 marrow transplant registry, \$250,000.00 shall be allocated to
21 Michigan Blood, the partner of the match registry of the national
22 marrow donor program. The funds shall be used to offset ongoing
23 tissue typing expenses associated with donor recruitment and
24 collection services and to expand those services to better serve
25 the citizens of this state.

26 Sec. 1906. (1) The department may initiate pay for success
27 pilot projects to identify and deliver services to improve outcomes

1 and lower costs for government services in this state. From the
2 funds appropriated in part 1 for pay for success contracts, the
3 department may initiate contracts with private and not-for-profit
4 vendors, selected through a competitive bid process, to implement
5 these pilot projects. Payments shall not be issued to funding
6 intermediaries or vendors until contractual performance measures
7 have been achieved and project savings have been confirmed by a
8 third-party evaluator, certified by the department and approved by
9 the state budget director.

10 (2) Unexpended funds appropriated in part 1 for pay for
11 success contracts are designated as work project appropriations,
12 and any unencumbered or unallotted funds shall not lapse at the end
13 of the fiscal year and shall be available for expenditures for the
14 pay for success contracts under this section until the projects
15 have been completed. All of the following are in compliance with
16 section 451a of the management and budget act, 1984 PA 431, MCL
17 18.1451a:

18 (a) The purpose of the projects is to coordinate cost-saving
19 projects to the state with public-private partnerships.

20 (b) The projects will be carried out through contracts with
21 private and not-for-profit vendors.

22 (c) The estimated cost of this work project is \$1,500,000.00.

23 (d) The estimated work project completion date is September
24 30, 2019.

25

PART 2A

1 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
2 FOR FISCAL YEAR 2015-2016

3 GENERAL SECTIONS

4 Sec. 2001. It is the intent of the legislature to provide
5 appropriations for the fiscal year ending on September 30, 2016 for
6 the line items listed in part 1. The fiscal year 2015-2016
7 appropriations are anticipated to be the same as those for fiscal
8 year 2014-2015, except that the line items will be adjusted for
9 changes in caseload and related costs, federal fund match rates,
10 economic factors, and available revenue. These adjustments will be
11 determined after the January 2015 consensus revenue estimating
12 conference.