

# **Implemented Funding Increases**

(FY 2021 Appropriation Act - Public Act 166 of 2020)

**January 1, 2021**

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



**FY 2021 Department of Health and Human Services Status of Programmatic Funding Increases  
Section 230, 2020 PA 166**

Funding Increase Details	Implementation Plan	Status
<b>Ongoing Funding</b>		
Continue direct care worker wage increase of \$2.00/hour through 12/31/20 - \$150 million gross, \$40 million GF/GP	L-20-67 was issued on October 28, 2020. <a href="https://www.michigan.gov/documents/mdhhs/L_20-67-Premium_Pay_706313_7.pdf">https://www.michigan.gov/documents/mdhhs/L_20-67-Premium_Pay_706313_7.pdf</a>	Implemented
10% Medicaid Private Duty Nursing Rate Increase - \$3.8 million gross, \$1.3 million GF/GP	L-20-68 was issued November 30, 2020, increasing the rate effective 10/1/2020. <a href="https://www.michigan.gov/documents/mdhhs/L_20-68-PDN_709014_7.pdf">https://www.michigan.gov/documents/mdhhs/L_20-68-PDN_709014_7.pdf</a>	Implemented
Medicaid Hospital Outpatient Rate increase of 21.37% utilizing provider tax revenue	Medicaid pays for outpatient services utilizing Medicare rates and applying a reduction factor. The reduction factor has been increased by 21.37% for dates of service on or after 10/1/20.	Implemented
Implement independent pharmacy rate increase	Michigan Health Plans implemented this \$3.00 minimum professional dispensing fee requirement 10/1/20 using the list of Independent Pharmacies provided by the Department.	Implemented
Establish Single Preferred Drug List for Medicaid Managed Care Organizations	Implemented 10/1/20 after months of special Common Formulary workgroup meetings, supporting documentation files provided to the Health Plans, etc.	Implemented
Implement Tribal Pharmacy reimbursement rate increase - \$17 million federal	The necessary actions to implement a Tribal all-inclusive rate for pharmacy claims dispensed at Tribal pharmacies are being determined. Currently there is not a definitive implementation timeline due to the various components required to begin the new payment methodology. Implementation depends on, but is not limited to, obtaining federal and Tribal funding for information technology changes, obtaining MDHHS IT approval for requirements validation, systems design, development, programming, testing and defect resolution, and receiving CMS approval of a State Plan Amendment. Internal meetings are being held to identify necessary legal agreements and information technology changes, create a process to receive Tribes' non-federal share to draw down federal match, establish a cost settlement process, etc.	In Process
MiDocs funding to support the new MiDocs class during the current fiscal year over the course of 5 years. - \$5.4 million gross, \$1.35 million GF/GP	Payments to the MIDocs program will occur later in the year upon receipt of budget reports from the program. No additional CMS approvals are needed this fiscal year.	In Process
Expand ClaimSure Contract - \$1.2 million gross, \$300,000 GF/GP	Plans for enhancement to the existing ClaimsSure/Predictive modeling tool are being drafted. Enhancements are planned for implementation in the June or September CHAMPs release.	In Process
K.B. v Lyon Settlement (behavioral health services and supports) - \$19.1 million gross, \$2.7 million GF/GP	Leadership discussions are ongoing regarding scope of work and roles/responsibilities in the KB v. Lyon settlement work. Position descriptions for staff are being developed based on these discussions. MDHHS has engaged the Center for Health Care Strategies to perform an environmental scan and assist the agency in creating an implementation plan. This is expected to be completed by the end of first quarter of 2021. All associated information technology work will follow later.	In Process
Begin MiSACWIS system upgrade to CCWIS	The initial scope of the project is limited to the Licensing module of CCWIS. The contract award will be finalized by the end of Feb 2021. The development work will commence in March and the tentative go-live is October 2021. Status as of 12/17/2020 i) The vendor and State of Michigan have reached an agreement on the contract terms and scope. Next steps: i) Federal Review of the contract by ACF (Administration for Children & Families) - tentative timeframe 30 days for completion ii) DTMB Procurement next steps, finalization of the contract aware, State Administrative Board approval etc, tentative dates - end of February.	In Process

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<p><b>Healthy Moms, Healthy Babies - \$23.5 million gross, \$12.6 million GF/GP</b></p>	<p>1) The 12 month postpartum expansion requires an 1115 Medicaid Waiver and implementation will be based on CMS approval, making it difficult to provide a specific implementation timeline. Initial research and preparation is underway.</p> <p>2) The Healthy Moms, Healthy Babies maternal and infant health (MIHP) pilot project is currently being designed and will require time for system updates and MIHP agency preparation. The current timeline for implementation of services would likely begin June 2021 or shortly thereafter.</p> <p>3) A contract with the University of Michigan is on target for a January 1, 2021 start date for MC3 expansion to ensure more mothers are connected to needed behavioral health services. Monthly meetings with the U of M are being held to develop plans for implementation sites.</p> <p>4) Collaborative meetings have been held with home visiting to review data and availability of programs for expansion. A workgroup was established utilizing home visiting needs assessment and Chapin Hall prevention assessment data. The goal is to amend home visiting contracts in January/February 2021.</p>	<p align="center">In Process</p>
<p><b>Behavioral Health Homes expansion - \$23.4 million gross, \$2.5 million GF/GP</b></p>	<p>During FY20, the department worked with the Lead Entities (PIHPs) in the applicable regions for both the Behavioral and Opioid Health Home to develop the infrastructure for FY21 Health Home implementation. At the same time, policy was promulgated and Medicaid State Plan Amendment approval was approved by CMS for the Health Homes. The expanded Health Homes were implemented on October 1, 2020.</p>	<p align="center">Implemented</p>
<p><b>New direct care staff for Kalamazoo, Reuther, Hawthorn, and CFP - 60 FTE's and \$5 million GF/GP</b></p>	<p>State hospitals are working w/ MDHHS Human Resources staff to fill current vacancies along with these added positions.</p>	<p align="center">In Process</p>
<p><b>Food Assistance Reinvestment - \$10,991,200 GF/GP, 6.0 FTE positions</b></p>	<p>The department is beginning the hiring process for one Departmental Manager, one Statistician and four Departmental Analysts positions and plans to have them onboard during the second quarter of FY21. The department is also developing the final reinvestment plan for the FY 19 payment accuracy liability and will be submitting it to the Food and Nutrition Service for approval.</p>	<p align="center">In Process</p>
<p><b>Increase Indigent Burial payment classifications by \$40.00.</b></p>	<p>Policy was updated and system changes were available in Bridges on 11/23/2020. Prior to a system update, instructions were issued to the local office informing them to request an exception to ensure the new payment amounts were being authorized.</p>	<p align="center">Implemented</p>
<p><b>Increase Child Advocacy Centers funding by \$1.0 million GF/GP</b></p>	<p>Contracts are in place. The funding was granted by formula to support the general operations of child advocacy centers.</p>	<p align="center">Implemented</p>
<p><b>Increase Funding for Homeless Programs at Current Per Diem Rates - \$649,800 GF/GP</b></p>	<p align="center">Expected implementation January 2021.</p>	<p align="center">In Process</p>
<p><b>School Success Partnership Program - \$525,000 TANF</b></p>	<p>Northeast Michigan Community Service Agency will be administering the program through a grant. State Administrative Board approval was received on December 8th. The department is in the final stages of processing the grant for FY21.</p>	<p align="center">In Process</p>
<p><b>Runaway and Homeless Youth Grant increase - \$400,000 GF/GP</b></p>	<p>Funding was incorporated into FY21 contracts. Amendments have been created and delivered to providers.</p>	<p align="center">Implemented</p>
<p><b>Family First Prevention Services Act Implementation - Begin Child Caring Institution (CCI) assessments effective 2/1/2021 - \$3.4 million gross, \$2.5 million GF/GP</b></p>	<p>Contractor (Maximus) will begin pilot of assessments 1/4/2021. Full implementation for determination of residential appropriateness will begin 3/1/2021.</p>	<p align="center">In Process</p>
<p><b>Family First Prevention Services Act Implementation - CCI rate increase effective 4/1/2021 - \$7.1 million gross, \$4.6 million GF/GP</b></p>	<p>Contracts have been drafted and implementation is targeted for 4/1/2021.</p>	<p align="center">In Process</p>
<p><b>Family First Prevention Services Act Implementation -Foster Care Congregate Care pilot - \$501,500 GF/GP</b></p>	<p>Input was requested from current Treatment Foster Care providers to identify barriers to a successful program. The proposal is being rewritten with a targeted submission of December 28, 2020 for a draft to review.</p>	<p align="center">In Process</p>
<p><b>Family First Prevention Services Act Implementation - Hire 5 Community Analysts/Liaisons - \$716,100 gross, \$524,500 GF/GP</b></p>	<p>Position descriptions are being drafted with an internal workgroup for establishment; specific assignments will align with the target population submitted with DHHS' Prevention Plan. Target establishment by 3/1/21.</p>	<p align="center">In Process</p>
<p><b>Implement CPS legal representation program - \$4.3 million federal Title IV-E</b></p>	<p>FY 21 grants are approved and some are being amended to increase reporting on outcomes from each grantee.</p>	<p align="center">Implemented</p>

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Family Preservation Programs provider rate increase - \$1.75 million GF/GP	An allocation methodology was identified, a provider meeting was held on 11/2/20 and consensus was achieved on methodology, increases calculated and notification letters sent to providers on 11/13/20. Contract amendments are in process and will have an effective date of 10/1/20.	In Process
Adoption Provider Rate Increase - \$1.5 million gross, \$1.0 million GF/GP	A meeting was held with adoption contractors and new rates have been determined. Contracts are being amended with the new rates. Legislative notice has been drafted and will be sent in December 2020. Amended contracts should be sent in December 2020 to adoption contractors. The new contract rates will be retroactive to October 1, 2020.	In Process
Court Appointed Special Advocates - \$500,000 GF/GP	A grant is being established with Michigan CASA with an anticipated start date of 1/1/21.	In Process
Foster care administrative rates actuarial study - \$250,000 GF/GP	The department engaged Public Consulting Group (PCG) in a contract amendment to complete actuarially sound rate analysis for Child Placing Agency and Child Caring Institution rates. Provider engagement sessions began the week of 12/14/2020. Meetings are scheduled with programs outside Michigan with evidence-based outcomes to review their rate models in comparison with elements of MI rate models. Recommendations of alterations to the rate model based on the market analysis, desired program outcomes, and provider engagement will be provided to MDHHS for submission to the Legislature by 3/1/2021.	In Process
Adoptive Family Support Network (AFSN) Contract - \$250,000 GF/GP	A meeting was held with DA Blodgett regarding AFSN grant and terms. Grant language was drafted and signed by all parties and the grant was executed effective 12/1/20.	Implemented
Kinship Caregiver Advisory Council- \$200,000 GF/GP	Sec. 575. requires the department to allocate \$200,000.00 to provide support and coordinated services to the kinship caregiver advisory council created in the kinship caregiver advisory council act. House Bill 5443 would have enacted the Kinship Caregiver Council Act to create the Kinship Caregiver Advisory Council within DHHS. Because HB 5443 was vetoed by the Governor on 9/24/20, there is no existing council for which to support with these funds.	On Hold
1.0 FTE for Raise the Age implementation - \$139,800 gross, \$103,000 GF/GP	Internal/external workgroups (3) are designing the many aspects of implementation by 5/1/21 (when Child Care Fund Budgets are due). Paperwork is being completed to fill this position.	In Process
West Michigan Partnership for Children (WMPC) - implement global capitated rate - \$8.8 million gross, \$4.7 million GF/GP	Grant with WMPC was implemented on 10/1/20 and includes language outlined in boilerplate section 504(2).	Implemented
Cord Blood Bank funding - \$500,000 GF/GP	DHHS staff recently met with Versiti Blood Center, the vendor for this project, to discuss planning and rollout of the work. Versiti has started work on getting the program up and running. DHHS staff are assisting with getting the necessary contractual paperwork signed.	In Process
Be the Match Bone Marrow Registry - \$250,000 GF/GP	DHHS staff recently met with Versiti Blood Center, the vendor for this project, to discuss planning and rollout of the work. Versiti has started work on getting the program up and running. DHHS staff are assisting with getting the necessary contractual paperwork signed.	In Process
Senior Call Check Pilot Program - \$40,000 GF/GP	The department is still exploring options for how to implement the pilot program as described in the boilerplate language with targeted implementation in early 2021.	In Process
Rare Disease Panel Funding - \$70,000 GF/GP	Sec. 1240 allocates \$70,000.00 to support a rare disease review committee and responsibilities of the committee. HB 5465 is similar proposed legislation that would create a rare disease review committee within DHHS. The bill was introduced in February 2020, but has not passed.	On Hold
Family Emergency Readiness Expo funding - \$25,000 GF/GP	Conversations have been initiated with Livingston County regarding funding for this annual health fair, which is typically held in September.	In Process

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<b>One-Time Funding</b>		
Skilled Nursing Facility PPE grants - \$20.0 million in CRF funding	Distribution of funds has been completed (total of \$19,839,297.45 distributed)	Implemented
Michigan Health Information Network (MiHIN) for health information technology strategies - \$2.75 million gross and GF/GP	DHHS staff have met with and are working in collaboration with MiHIN to identify priority projects that will be included in various federal Advance Planning Documents (APDs) to provide matching funds for this allocation. DHHS and MiHIN have identified 13 projects totaling nearly \$2.3 million for APD match. The remaining \$450,000 will be allocated to other MiHIN supported-projects soon. Planning for each of these projects is underway with MiHIN.	In Process
First Responder and Public Safety Staff Mental Health - \$2.5 million GF/GP	The department is developing a contract with Wayne State University for \$2 million and will amend the Michigan 2-1-1 contract for an additional \$500,000.	In Process
Establish/administer Lead Poisoning Prevention Fund - \$2 million GF/GP	This initiative is currently in the planning stages. A Request for Proposal has been drafted for a State of Michigan Lead Poisoning Prevention Fund Administrator. Meetings have been conducted, incorporating review feedback from MDHHS, procurement teams, and other stakeholders as needed. The plan is to ramp up activities in the spring of 2021.	In Process
Unified Clinics Resiliency Center for Families and Children - \$1.5 million GF/GP	The funds are intended for Western Michigan University. A statement of work and budget have been received from WMU and contract development is underway.	In Process
Special Olympics Capital Improvement Project - \$1.0 million GF/GP	The funds are intended for Special Olympics Michigan. A statement of work and budget have been received from the agency and contract development is underway.	In Process
Access Health Actuarial Study - \$275,000 GF/GP	An interagency agreement with the Department of Insurance and Financial Services is being executed to complete the actuarial study.	In Process
Great Lakes Recovery Center - \$250,000 GF/GP for residential treatment and transition housing	The department is developing a contract with GLRC for construction and renovations of new sites.	In Process
Washtenaw County Coronavirus Related Youth Programs - \$250,000 GF/GP	Washtenaw County will be administering the program through a grant. The department is in the final stages of processing the grant for FY21.	In Process
Kids' Food Basket - \$250,000 GF/GP	Contract has been initiated and is in process. It is expected to be full executed by 1/1/2021.	In Process
Infant Rapid Whole Genome Sequencing Project - \$1.0 million gross, \$250,000 GF/GP	The department has met with the Michigan Health and Hospital Association and we are now in the process of working out implementation details, including the criteria for when rapid whole genome sequencing would be covered as well as reimbursement details. The target date for implementation is April 1, 2021.	In Process
Detroit Children's Center - \$200,000 GF/GP for behavioral health programs and outreach	The funds are intended for the Children's Center of Wayne County. A statement of work and budget have been received from the agency and contract development is underway.	In Process
Nonprofit Mental Health Clinics - \$200,000 GF/GP for grants for counseling services	The department intends to contract with 2-3 agencies. A statement of work and budget have been received from Mosaic Counseling.	In Process
Safe Substance Abuse Coalition - \$100,000 GF/GP for substance abuse community & school outreach	The department is working with SAFE on developing a contract for the services outlined in the budget.	In Process
Saginaw Vision Clinic - \$100,000 GF/GP	The department is working with Saginaw's Special Needs Vision Clinic to implement a program for \$100,000.	In Process
Allegan County Legal Assistance - \$60,000 GF/GP	Contract was made with the Allegan County Legal Services agency and a contract is being drafted for this funding.	In Process