

Fiscal Year 2024 Executive Budget Recommendation

February and March 2023

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*Putting people first, with the goal of helping all
Michiganders lead healthier and more
productive lives, no matter their stage in life.*

Agenda

- Department Overview
- The Year Ahead
- Future Investments



MDHHS by the Numbers

In December 2022:

31,316 Family Independence Program (**FIP**) recipients¹.
1,369,845 Food Assistance Program (**FAP**) recipients, including **546,923** children¹.
2,128,704 **Medicaid** recipients¹.
1,057,126 Healthy Michigan Program (**HMP**) recipients¹.
31,393 children received Child Development and Care (**CDC**)¹.
\$10,182,004 State Emergency Relief (**SER**) payments made².
1,607 State Disability Assistance (**SDA**) recipients².
10,107 children in **foster care**¹.
339 children residing in a child caring institution (**CCI**)¹.
4,878 children's protective services (**CPS**) investigations¹.
1,569 adult protective services (**APS**) referrals¹.
2,189 children with the goal of **adoption**¹.
\$1,053,036,317 of collected child support was distributed directly to families¹.

In Fiscal Year 2022:

MI 2-1-1 partners made **470,419** connections (phone, chat, email, or text) and **764,785** referrals to programs or services³.
1,198,445 children enrolled in **Healthy Kids Dental** and **12,458** pregnant women received **dental care**³.
Over **1,255** individuals, including **724 children** were protected from **lead exposure through lead abatement of their home**³.
1,059,730 **shelter bed nights** were provided to people in need³.
Awarded **735 scholarships** to former foster youth through the **Fostering Futures** scholarship program in 2022³.
Operated **five state psychiatric hospitals** and **two secure residential facilities** for juveniles.
Facilitated **tribal consultation** with Michigan's **12 federally recognized tribes** to provide comprehensive and innovative services to Michigan's American Indian Alaska Native residents.
Each day, more than **1,200 moms, babies,** and **children** less than the age 5 receive nutritious foods from the **Michigan WIC Program**.
9.8 million syringes distributed to **121,885** people through the Michigan **Syringe Service Program** between October 1, 2018 - December 31, 2022.

1. [Monthly Compiled Caseload Fact Sheet - December 2022](#)

2. [Green Book - DHS-Pub-67 December 2022](#)

3. [FY 2022 Boilerplate Reports](#)

The Year Ahead

- COVID-19 Public Health Emergency Unwind.
- MIHealthyLife Medicaid Health Plan Contract Rebid.
- Strengthening Michigan's child welfare system and moving beyond the Modified Implementation, Sustainability, and Exit Plan (MISEP).
- Environmental Health Initiatives.





Fiscal Year 2024 Budget: Building a Brighter Future

“I am proud to introduce my executive budget proposal to lower costs, grow our economy, and build a brighter future for anyone who wants to call Michigan home. My budget includes investments to put money back in people’s pockets, help students thrive in school, put more people on paths to higher education and good-paying jobs, rebuild our infrastructure, keep our communities safe, and improve public health. In the months ahead, I look forward to working with my partners in the legislature to deliver a balanced budget that makes a real difference in people’s lives. Let’s get it done.”

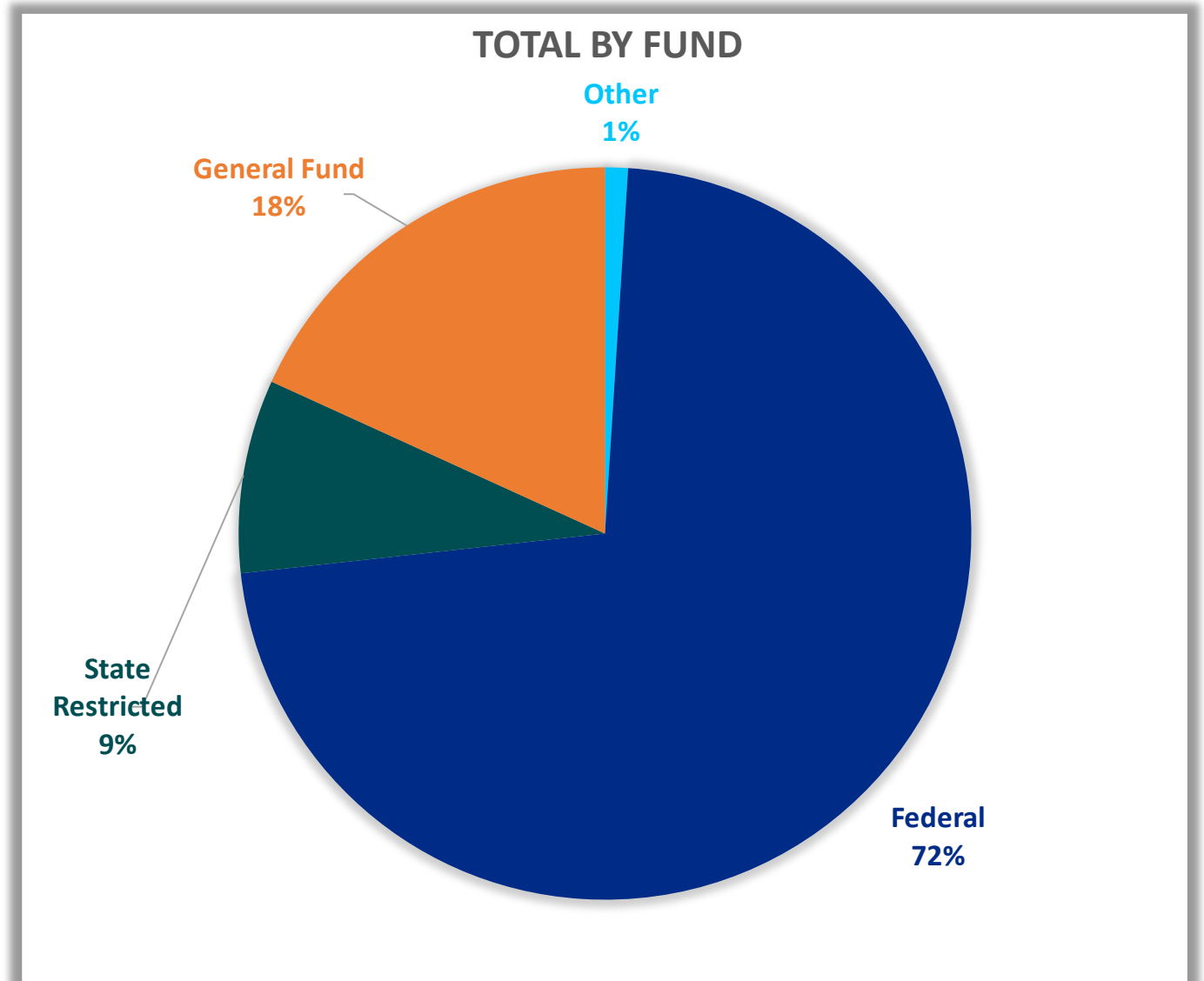
Governor Gretchen Whitmer

2024 MDHHS Budget Recommendation

Total: **\$35.7 billion**

General Fund: **\$6.3 billion**

MDHHS represents approximately **45%** of the State of Michigan's **\$79 billion budget**.



MDHHS Budget Investments Fiscal Year 2024



Public Health
Preparedness and
Response



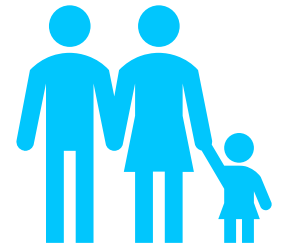
Health Care Workforce



Health Care Access
and Equity



Safe Communities



Children and Families

Reinforcing Public Health Preparedness and Response



Ensuring Safe Drinking Water

Background

- Historical under investments in **water infrastructure** have resulted in unsafe drinking water.
- 75% of residents receive water from a **community system**, 25% receive water from an individual **well**.
- 60 community systems have **lead** or **copper** action level exceedances.
- Lead and copper are just two of the **many threats** to the water supply. PFAS, arsenic, and others exist as well.

Proposed Response

- **\$100 million gross/GF** to support **water filter distribution, faucet and plumbing replacement**, and **lead investigations and abatements** in communities with lead contamination in water.
- Funding also included in the Michigan Department of Environment, Great Lakes, and Environment budget for **water infrastructure**.

Expected Impact

- Reduces the **permanent, irreversible harm** of **lead exposure**.
- Ensures **equitable application** of **public health protections** customized to the threat level and demographic makeup of the community.

Scaling Local Public Health Resources

Background

- **Local Health Departments (LHDs)** are statutorily responsible for the provision of essential local public health services.
- **Funding** for LHDs **remained flat** for almost two decades (excluding drinking water investments).
- State per capita public health **spending** remains **below** the **national average**.
- The public health **data sharing infrastructure** is **outdated** and **cumbersome**.

Proposed Response

- **\$30 million gross/GF** to properly support local public health departments in fulfilling statutorily mandated services related to **drinking water** safety, **infectious disease** control, **food protection**, and **sexually transmitted infection** control and prevention.
- **\$22.5 million gross/GF** to improve **monitoring** and **response** to **environmental public health threats**, investigate drinking water contamination, and support Michiganders impacted by contaminated water.

Expected Impact

- Ensures **equitable application** of **public health protections** customized to the threat level and demographic makeup of the community.
- Improves the ability of public health professionals to **proactively address threats** to the health of Michigan residents.



Strengthening the Health Care Workforce

Strengthening the Health Care Workforce

Background

- **Low wages, staffing shortages**, mandatory **overtime**, and **burnout** continue to plague the health care and direct care workforce.
- Hospital and health systems have over **50,000 vacancies**.
- Average **turnover rate** for health care professionals is **27%** and for direct care staff is **45%**.

Proposed Response

- **\$210.1 million gross** (\$74.5 million GF) to support a 10% increase in wages for direct care workers providing: Medicaid behavioral health services; care at skilled nursing facilities; community-based supports through MI Choice, MI Health Link, and Home Help programs; care at homes for the aged and adult foster care facilities and in-home services funded through Area Agencies on Aging.
 - Direct care workers include registered professional nurses, licensed practical nurses, competency-evaluated nursing assistants, and respiratory therapists.
- **\$90 million gross** (\$31.7 million GF) to increase wages for non-direct care staff employed in institutional long-term care facilities.
 - Non-direct care workers include but are not limited to the following categories: housekeeping, maintenance, plant operations, laundry, dining room assistants, dietary workers, medical records, social services, and other diversional therapy staff.
- Establish a **\$5 million gross/GF** annual **scholarship program** for students pursuing careers in behavioral health, counseling, psychology, psychiatric nursing, or social work.

Expected Impact

- Scholarship program will help **support students** pursuing careers in health care.
- Addressing staffing concerns allows **better quality** and more consistent **patient care**, leading to **better health outcomes** for the populations we serve.



Expanding Health Care Access and Equity

Building on the Healthy Moms, Healthy Babies Initiative

Healthy Moms, Healthy Babies is an initiative that began in 2021 and includes the expansion of postpartum Medicaid coverage, the addition of Medicaid doula services, and the implementation and expansion of evidence-based home visiting programs. This proposal builds on those investments by **expanding evidence-based services** to **at-risk populations** in order to **improve outcomes**.

Proposed Response	Impact
\$32.1 million gross (\$6.4 million GF) to remove the 5-year waiting period for children and pregnant women legally residing in Michigan to access Medicaid .	Expands access to comprehensive health coverage for children and pregnant women and reduces significant disparities in insurance status.
\$6.2 million gross (\$1.0 million GF) to support the Medicaid state plan amendment to include the Plan First! benefit for family planning services.	Fills a coverage gap for people who exceed the income limit for the Healthy Michigan Plan but lack insurance for family planning services.
\$10 million gross (\$5 million GF) to expand and strengthen services provided by Centering Pregnancy sites.	The Centering Pregnancy model of prenatal care decreases the number of preterm births and/or low birthweight babies and addresses disparate outcomes.
\$10 million gross/GF to support birthing hospitals .	Expands the proven, life-saving efforts of the Michigan Alliance for Innovation on Maternal Health (MI AIM) and implements maternal levels of care verification.
\$10 million gross/GF to increase investment in Michigan Perinatal Quality Collaborative (M-PQC) by providing grants to local collaboratives, growing their ability to coordinate to improve maternal and infant health outcomes.	Improves maternal and infant health outcomes through the statewide collective efforts of nine Regional Perinatal Quality Collaboratives (RPQCs).

Ongoing	\$40.9M Gross	\$40.4M GF
One-Time	\$17M Gross	\$12M GF

Promoting Community Health and Equity

Recommendations from the Racial Disparity Task Force

Background

- The COVID-19 pandemic highlighted **health and social inequities**, exacerbated limits on access to care, and identified barriers to services for communities of color and other marginalized populations.
- Rural health communities experience persistent health disparities including **higher mortality rates** and limited access to care.

Expected Impact

- Improve **health** and **social outcomes** for people experiencing **health disparities** and **inequities**.
- Build **capacity** and **infrastructure** to address the root causes of disparities.

Proposed Response

This proposal includes **\$57.9 million gross**, \$52.4 million GF to implement the recommendations of the **Racial Disparities Task Force**:

- **\$2 million gross** (\$1.5 million GF) to develop **equity infrastructure** and **training** within MDHHS.
- **\$2.5 million gross/GF** one-time to support **sickle cell** services.
- **\$10 million gross** (\$5 million GF) one-time to improve **equity data collection**.
- **\$18.1 million gross/GF** (\$17.1 million ongoing and \$1 million one-time) to create **local healthy community zones**.
- **\$25.3 million gross/GF** (\$21.8 million ongoing and \$3.5 million one-time) to create a **neighborhood health grant** program.

Enhancing Medicaid Rates and Benefits

Background

- Low Medicaid reimbursement rates **decrease provider participation**, resulting in **decreased access to services** for Medicaid patients.
- Young adults receiving Children's Special Health Care Services (CSHCS) face **tremendous barriers** to **access health care coverage** once CSHCS eligibility ends at age 21. CSHCS provides coverage to young adults with chronic conditions like sickle cell disease, hemophilia, and cystic fibrosis.
- Medicaid beneficiaries experiencing **homelessness** are typically **discharged from a hospital to a shelter** not equipped to address health issues, resulting in **readmission**.

Proposed Response

- **\$120.7 million gross** (\$32.8 million GF) to increase reimbursement rates for Medicaid services, such as **primary care, dental, vision, laboratory services, anesthesia, durable medical equipment**, and many more.
- **\$4 million gross** (\$3.2 million GF) to expand **Children's Special Health Care Services** to **age 26**.
- **\$5 million gross** (\$2.2 million GF) to add a **recuperative care benefit** to assist Medicaid beneficiaries experiencing homelessness who need short-term transitional services upon discharge from hospital care.

Expected Impact

- Increasing Medicaid reimbursement rates will provide **financial relief**.
- Young adults with special health care needs will be able to **continue receiving care** for their chronic conditions.
- Studies have shown **readmission rates reduce** by **24%** with recuperative care programs.

Reforming Nursing Facility Medicaid Rates

Background

- Nursing facility Medicaid reimbursement **varies widely** by provider and does not incorporate the **severity** of **patients** served.
- A November 2019 Auditor General report described Michigan's nursing facility Medicaid rate setting and reimbursement process to be "**complicated, labor intensive, ineffective, and inefficient.**"

Proposed Response

- **\$110 million gross** (\$102 million GF) to support nursing facilities over a two-year timeframe as the **new reimbursement model** is phased in.

Expected Impact

- More **equitable access** to **quality services**.
- **Simpler** model to provide funding needed to support people in nursing facilities.



Investing in Community-Based Public Safety

Advancing Community Violence Intervention Programming

Background

- No one should have to **live in fear** of violence.
- In Michigan, **firearm mortality** increased from 12.1 deaths per 100,000 people in 2019 to **14.6 deaths per 100,000** people in 2020.
- In 2021, 1,484 people died from **intentional self-harm** and, of those deaths, 814 used a firearm.
- In a 2019 survey, 13.9% of Michigan **high school** students shared that they **carried a weapon**, such as a gun, knife, or club at least one day during the 30 days before the survey.

Proposed Response

- Develop a statewide **Community Violence Intervention Program**.
 - **\$800,000 ongoing gross/GF** and **2 FTEs** to create the **Office of Community Violence Intervention Services** to distribute grants to community violence prevention partners.
 - **\$8 million** gross (\$4 million GF) for grants to support **community-based organizations** that provide community violence intervention services.
 - **\$2 million gross** (\$1 million GF) for grants to reduce firearm related **injuries** and **fatalities**.

Expected Impact

- **Local, community-based organizations** and **community members** will have a voice and support in advocating for concerns.
- More weapons will be **safely stored**.
- Communities will be **safer** and **experience less crime**.

Advocating for Crime Victims and First Responders

Background

- The MDHHS **Victims Services Division** receives funding from two primary sources:
 - **Federal Victims of Crime Act (VOCA).**
 - State **Crime Victims Restricted Funds** generated by conviction fees.
- Funds are provided to local organizations for **support services** to **victims** and fluctuate from year to year.
- First responders experience **dangerous** and **challenging** situations, leading to **high stress levels**, burnout, compassion fatigue, and post-traumatic stress.

Proposed Response

- Provide **\$7.9 million gross/GF** in one-time funding to **maintain existing services** while exploring long-term solutions including:
 - Partnering with federal delegation on increased funding.
 - Evaluating fee structure.
- Invest **\$5 million gross/GF** in one-time funding for **services** and **supports** to **first responders** for **post-traumatic stress syndrome** and other **mental health** conditions.

Expected Impact

- **Continue victim services** support programs at **existing levels.**
- Improvement in the **mental health** and **wellbeing** of the people who keep our communities safe.

A close-up photograph of a man with a beard and a young girl with curly hair and a pink bow, smiling and touching their noses. The man is wearing a grey shirt and the girl is wearing a colorful striped shirt. The background is slightly blurred, showing an indoor setting.

Supporting Children and Families

Increasing Foster Family Support

Background

- Michigan's foster care system relies on the **volunteerism** of individual families to provide children with out-of-home care.
- The **standard rate** foster parents receive is **\$20-\$25 per day**.
- Nearly **75%** of foster parents who closed their license indicated they **closed due** to needing more **financial support, assistance with children's behavior problems**, and **respite** care.
- Michigan needs to **maintain existing foster care homes while also increasing** the number of new licenses.

Proposed Response

- \$19.3 million gross** (\$7.8 million GF) to provide an **8% rate increase** to foster, relative, guardian, and adoptive families to support inflationary costs.
- \$15.1 million gross/GF** to establish a **respite care support program**. Funding will be used to identify both licensed and closed foster homes to participate in a network of caregivers who provide short-term respite care. Caregivers will receive a respite daily rate for this service.

Expected Impact

- Increase** the **financial capacity** of foster parents and relative caregivers.
- Support foster parents and caregivers and **improve placement stability** for youth in care.
- Placement stability directly impacts **safety, wellbeing**, and **permanency** outcomes.

Investing in Juvenile Justice

Background

- The **Michigan Taskforce on Juvenile Justice Reform** was formed to provide recommendations to Michigan's juvenile justice system.
- **Raise the Age** legislation enacted in 2019 increased the age to 18 for juvenile court jurisdiction.
- **Bay Pines Center and Shawono Center** are secure facilities serving over 70 youth with complex trauma and a need for emotional/behavioral stabilization.
- The **Child Care Fund (CCF)**—the primary statewide juvenile justice funding structure—does not provide **financial incentive** for youth **to remain in the community** given that community-based and residential placements are reimbursed at the same rate (50%).

Proposed Response

This proposal includes two recommendations for investments from the Michigan Taskforce on Juvenile Justice Reform:

- **\$1.3 million gross** (\$643,600 GF) for **12 FTEs** for **Bay Pines Center** and **Shawono Center** to align staffing ratios and expand capacity.
- **\$31.5 million gross/GF** increase in state support for community-based services and alternatives to residential detention.

Expected Impact

- Reduction in the use of seclusion and restraints, and improvement in **behavioral management skills** for facility staff through the modification of current staffing ratios.
- Ensure all youth and families involved in the juvenile justice system have **access to** a continuum of **evidence-based services**.
- Provide **rehabilitation opportunities** in a safe, supportive, and respectful environment that honors the youth and family voice.

Modernizing the Child Welfare Information System

Background

- The Michigan Statewide Automated Child Welfare Information System (MiSACWIS) is being replaced with the **Comprehensive Child Welfare Information System (CCWIS)**.
- Over **7,000 public and private staff** use the software for children's protective services, foster care, and adoption case management.
- CCWIS is a **state-of-the-art, cloud-based** system that will **better support** child welfare staff and families.

Proposed Response

- **\$12.6 million gross** (\$7.5 million GF) to continue the work of replacing MISACWIS by supporting the **planning, development, and implementation** of the next phase of CCWIS modules.

Expected Impact

- **Improved outcomes** for kids and families as well as **caseworker satisfaction** and **retention**.
- **Improved data collection**, data-driven decision making, and assessment of program performance.
- **Compliance** with **federal regulations**.

Stabilizing Core Program Capacity

Background

- MDHHS has experienced increases in program responsibilities related to **COVID-19**, **drinking water** threats, **health care workforce shortages**, **audit findings**, **legislative earmarks**, and much more over the past years.
- MDHHS staff are essential** to providing services to the public.
- Increased demand on staff **cannot be maintained long-term** and could eventually lead to gaps in service.

Proposed Response

The proposal will provide additional staffing to support core services to the public and minimize audit risks, errors, and missed opportunities.

- Add **47 FTEs** to **Adult Protective Services Program**, **\$6.3 million gross** (\$4.6 million GF).
- Add **two FTEs** to the **Office of Recipient Rights**, **\$327,300 gross/GF**.
- Add **15 FTEs** to the five state-operated **psychiatric hospitals**, **\$2.2 million gross/GF**.

Expected Impact

- Increased ability to **follow up on adult service complaints**, perform investigations, and take appropriate action.
- Improved **awareness of recipient rights**.
- Safer workplace** within the psychiatric hospitals.



Thank you!