

The People of the State of Michigan enact:

324.21558 Temporary reimbursement program; retention of consultant; requirements; adding qualified bidders for requests for bids; hiring contractors; work ineligible for temporary reimbursement program.

Sec. 21558. (1) In order to receive money under the temporary reimbursement program, an eligible person shall retain a consultant to perform the corrective actions required under part 213.

(2) The consultant shall comply with all of the following requirements:

(a) The consultant shall submit the following items for competitive bidding in accordance with procedures established in this section:

- (i) Well drilling, including monitoring wells.
- (ii) Laboratory analysis.
- (iii) Construction of treatment systems.
- (iv) Removal of contaminated soil.
- (v) Operation of treatment systems.

(b) All bids received by the consultant shall be submitted on a standardized bid form prepared by the department.

(c) A consultant may perform work activities specified in subsection (2)(a) only if the consultant bids for the work activity and the consultant's bid is the lowest responsive bid. A consultant who intends to submit a bid must submit the bid to the department prior to receiving bids from contractors.

(d) Upon receipt of bids, the consultant shall submit to the department a copy of all bid forms received and the bid accepted.

(e) The consultant shall notify the department in writing of the bid accepted. If the lowest responsive bid was not accepted, the consultant shall provide sufficient justification to the department and receive concurrence from the department before commencing work. Failure of the department to provide a response within 21 days shall be considered as concurrence.

(3) An eligible person may request that the consultant retained by the eligible person add qualified bidders to the list for requests for bids.

(4) Upon hiring a contractor, a consultant may include a markup to the contractor's work invoices only if the consultant pays the contractor and does the billing.

(5) After the consultant employs the competitive bidding process described in this section, the owner or operator may hire contractors directly.

(6) Removal of underground storage tank systems or installation of new or upgraded equipment for the purpose of attaining compliance with part 211, or work performed for any other reason not related to the performance of part 213 corrective actions, is not eligible for temporary reimbursement program funding under this part.

324.21559 Temporary reimbursement program; receipt of money for corrective action; conditions; determination by department; denial of payment of work invoice; notice of determination; records of approved precertification applications and work invoices; payment upon receipt of approved payment voucher; affidavit; liability; withholding partial payment.

Sec. 21559. (1) For an eligible person to receive money under the temporary reimbursement program for corrective action, all of the following conditions shall be met:

(a) The eligible person, and the consultant retained by the eligible person, shall follow the procedures outlined in this section and shall submit reports, work plans, feasibility

analyses, hydrogeological studies, and corrective action plans prepared under part 213 to the department, and shall provide other information required by the department relevant to determining compliance with this part and part 213.

(b) The eligible person shall submit a work invoice to the department, with an attached summary report of the work performed under the invoice and results of the work performed, including, but not limited to, laboratory results, soil boring logs, construction logs, site investigation results, and other information that may be requested by the department.

(c) Work invoices shall comply with all of the following:

(i) Be submitted on a standardized work invoice form provided by the department.

(ii) Contain complete information in accordance with the form and the requirements of this section and as requested by the department.

(iii) Be in an amount not less than \$5,000.00, except for the last work invoice submitted for reimbursement under the approved precertification application.

(2) Upon receipt of a work invoice pursuant to subsection (1), the department shall make all of the following determinations:

(a) Whether the work performed is necessary and appropriate considering conditions at the site of the release.

(b) Whether the cost of performing the work is reasonable.

(c) Whether the eligible person is eligible to receive funding under this part.

(d) Whether the consultant retained by the eligible person has complied with section 21558.

(3) The department shall deny payment of a work invoice if the department determines that the corrective action work performed is not consistent with the requirements of part 213 or does not comply with the requirements of this part.

(4) Within 45 days after receipt of a work invoice, the department shall determine whether the work invoice complies with subsections (1) to (3). The department shall notify the eligible person in writing of such a determination.

(5) The department shall keep records of approved precertification applications and work invoices. If the eligible person has not exceeded the allowable amount of expenditure provided in sections 21556 and 21557, the department shall forward an approved payment voucher to the state treasurer within 45 days after approval of the work invoice.

(6) Except as provided in subsection (7) or as otherwise provided in this subsection, upon receipt of an approved payment voucher, the state treasurer shall make a payment jointly to the eligible person and the consultant within 30 days. However, the eligible person may submit to the department a signed affidavit stating that the consultant listed on a work invoice has been paid in full. The affidavit shall list the work invoice number and precertification application to which the affidavit applies, a statement that the eligible person has mailed a copy of the affidavit by first-class mail to the consultant listed on the work invoice, and the date that the affidavit was mailed to the consultant. The department is not required to verify affidavits submitted under this subsection. If, within 14 days after the affidavit was mailed to the consultant under this subsection, the department has not received an objection in writing from the consultant listed on the work invoice, the state treasurer shall make the payment directly to the eligible person. If a check has already been issued to the eligible person and the consultant, the eligible person shall return the original check to the department along with the affidavit. If, within 14 days after the affidavit was mailed to the consultant, the department has not received an objection from the consultant listed on the check, the state treasurer shall reissue a check to the eligible person. If a consultant objects to an affidavit received under this subsection and notifies

the department in writing within 14 days after the affidavit was mailed to the consultant, the department shall notify the state treasurer, and the state treasurer shall issue or reissue the check to the eligible person and the consultant. The grounds for an objection by a consultant under this subsection shall be that the consultant has not been paid in full and the objection shall be made by affidavit. The state treasurer shall issue checks under this subsection within 60 days after an affidavit has been received by the department. Once payment has been made under this section, the refined petroleum fund is not liable for any claim on the basis of that payment.

(7) The temporary reimbursement program is subject to section 21548.

(8) Upon direction of the department, the state treasurer may withhold partial payment of money on payment vouchers if there is reasonable cause to believe that there are violations of section 21548 or if necessary to assure acceptable completion of the corrective actions.

324.21560 Assignment or transfer of approved precertification application; notice to department.

Sec. 21560. (1) An eligible person with a precertification application approved pursuant to section 21556 or 21557 for which corrective action is in progress that sells, or has sold, or transfers the property that is the subject of the approved precertification application to another person may assign or transfer the approved precertification application to that other person. The person to whom the assignment or transfer is made is eligible to receive money from the refined petroleum fund temporary reimbursement program as an eligible person for the release which is the subject of the approved precertification application. Previous reimbursements and co-payments of the eligible person making the assignment or transfer shall be counted toward the reimbursement and co-pay amount of the person to whom the assignment or transfer is made.

(2) An eligible person assigning or transferring an approved precertification application pursuant to this section shall notify the department of the proposed assignment or transfer at least 10 days prior to the assignee's or transferee's submittal of work invoices for reimbursement.

324.21561 Denial of precertification application or work invoice; request for review; review and recommendation by advisory board; appeal to circuit court.

Sec. 21561. (1) If the department denies a precertification application or a work invoice submitted under the temporary reimbursement program, the applicant who submitted the precertification application or the eligible person who submitted the work invoice may, within 14 days following the denial, request review by the department. Upon receipt of a request for review under this subsection, the department shall forward the request to the advisory board for a preliminary review. The advisory board shall conduct a review of the denial and shall submit a recommendation to the department as to whether the precertification application or the work invoice complies with this part. Not later than 21 days following review by the advisory board, the department shall approve the precertification application or the work invoice if the department determines that the precertification application or the work invoice substantially complies with the requirements of this part. In making its determination, the department shall give substantial consideration to the recommendations of the advisory board.

(2) An eligible person or applicant who submitted a precertification application who is denied approval by the department after review under subsection (1) may appeal the decision pursuant to section 631 of the revised judicature act of 1961, 1961 PA 236, MCL 600.631, directly to the circuit court for the county of Ingham.

324.21562 Temporary reimbursement program advisory board; creation; membership; vacancy; meetings; election of chairperson and other officers; compliance with open meetings act; quorum; voting; peer review panel; review of competitive bidding process; conflict of interest.

Sec. 21562. (1) The temporary reimbursement program advisory board is created. The advisory board shall conduct reviews of denied work invoices upon the request of eligible persons and provide recommendations to the department upon completion of such reviews. The advisory board shall also advise the department on all matters related to the implementation of the temporary reimbursement program.

(2) The advisory board shall consist of the following:

(a) Three individuals appointed by the governor, not more than 2 of whom are employed by state departments.

(b) Two individuals appointed by the speaker of the house of representatives.

(c) Two individuals appointed by the senate majority leader.

(3) An individual appointed to the advisory board shall serve for a term of 3 years, commencing on the initiation date of the temporary reimbursement program.

(4) A vacancy on the advisory board shall be filled in the same manner as the original appointment was made.

(5) The first meeting of the advisory board shall be called by the department. At its first meeting, the advisory board shall elect from among its members a chairperson and other officers as it considers necessary. After the first meeting, a meeting of the advisory board shall be called by the chairperson on his or her own initiative or by the chairperson on petition of 3 or more members. Upon receipt of a petition of 3 or more members, a meeting shall be called for a date not later than 21 days after the date of receipt of the petition.

(6) The business that the advisory board may perform shall be conducted at a public meeting of the advisory board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(7) A majority of the members of the advisory board constitute a quorum for the transaction of business at a meeting of the advisory board. Action by the advisory board shall be by a majority of the votes cast.

(8) The department may submit to the advisory board, for its review and evaluation, the competitive bidding process employed by a consultant pursuant to section 21558. In conducting this review and evaluation, the advisory board may convene a peer review panel. Following completion of its review and evaluation, the advisory board shall forward a copy of its findings to the department and the consultant. If the advisory board finds the practices employed by a consultant to be inappropriate, the advisory board may recommend that the department revoke the consultant's certification.

(9) A member of the advisory board shall abstain from voting on any matter in which that member has a conflict of interest.

324.21563 Temporary reimbursement program; cessation; availability of remaining funds.

Sec. 21563. (1) The temporary reimbursement program shall cease upon payment of all approved work invoices and resolution of work invoice appeals.

(2) Any temporary reimbursement program funds remaining after approved work invoices are paid, less any dollar amounts held in reserve pending resolution of work invoice appeals, shall be available for future appropriations pursuant to section 21506a(4).

(3) Any temporary reimbursement program funds remaining after resolution of all work invoice appeals shall be available for future appropriations pursuant to section 21506a(4).

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

(a) House Bill No. 6047.

(b) Senate Bill No. 1260.

This act is ordered to take immediate effect.

Approved July 20, 2006.

Filed with Secretary of State July 20, 2006.

Compiler's note: House Bill No. 6047, referred to in enacting section 1, was filed with the Secretary of State July 20, 2006, and became 2006 PA 321. Imd. Eff. July 20, 2006.

Senate Bill No. 1260, also referred to in enacting section 1, was filed with the Secretary of State July 20, 2006, and became 2006 PA 318. Imd. Eff. July 20, 2006.

[No. 323]

(HB 4971)

AN ACT to amend 1975 PA 228, entitled “An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation,” (MCL 208.1 to 208.145) by adding section 32.

The People of the State of Michigan enact:

208.32 Research and development of qualified technology; tax credit; conditions; refundable portion; limitation; definitions.

Sec. 32. (1) For tax years that begin on or after January 1, 2006 and end before January 1, 2016, a taxpayer that is engaged in research and development of a qualified technology may claim a credit against the tax imposed by this act equal to 3.9% of the compensation as defined in section 4 for services performed in a qualified facility, paid to the employees at the qualified facility in the tax year, if the taxpayer has entered into an agreement before January 1, 2007 with the Michigan economic growth authority that provides all of the following:

(a) The type and number of jobs at the qualified facility to which the agreement applies.

(b) The type of work to be performed by the employees performing the jobs provided under subdivision (a) by the taxpayer.

(c) Any other terms and conditions that the Michigan economic growth authority considers to be in the public interest.

(2) If the credit allowed under this section exceeds the tax liability of the taxpayer for the tax year, that portion that exceeds the tax liability shall be refundable.

(3) The maximum amount of the credit allowed under this section that any 1 taxpayer may claim shall not exceed \$3,000,000.00 in a single tax year.

(4) As used in this section:

(a) “Michigan economic growth authority” means the Michigan economic growth authority created in the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(b) “Motor vehicle” means a motor vehicle as defined in section 33 of the Michigan vehicle code, 1949 PA 300, MCL 257.33, that is designed as a passenger vehicle, or sport utility vehicle, but does not include a motor home, bus, truck other than a pickup truck or van, or a vehicle designed to travel on less than 4 wheels.

(c) “Qualified city” means a city that meets both of the following criteria:

(i) Has a population of not less than 80,000 and not more than 82,000 as designated by the United States bureau of the census in the 2000 census.

(ii) Is located in a county that has a population of not less than 1,000,000 and not more than 1,300,000 as designated by the United States bureau of the census in the 2000 census.

(d) “Qualified facility” means a leased facility in a qualified city used exclusively for the research and development of a qualified technology.

(e) “Qualified technology” means a 2-mode hybrid system the primary purpose of which is the propulsion of a motor vehicle.

(f) “Research and development” means “qualified research” as that term is defined in section 41(d) of the internal revenue code.

This act is ordered to take immediate effect.

Approved July 20, 2006.

Filed with Secretary of State July 20, 2006.

[No. 324]

(HB 4375)

AN ACT to amend 1976 PA 451, entitled “An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,” (MCL 380.1 to 380.1852) by adding section 1171.

The People of the State of Michigan enact:

380.1171 Suicide prevention and awareness; instruction and professional development; availability of model programs and materials to school districts and public school academies; notice to parents; cause of action or legal duty not created; section known as “Chase Edwards law.”

Sec. 1171. (1) The board of a school district or board of directors of a public school academy is encouraged to provide age-appropriate instruction for pupils and professional development for school personnel concerning the warning signs and risk factors for suicide and depression and the protective factors that help prevent suicide. The instruction and professional development shall be designed to achieve the following goals:

(a) To prevent both fatal and nonfatal suicide behaviors among youth.
(b) To increase pupil awareness of the warning signs and risk factors for suicide and depression.

(c) To improve access to appropriate prevention services for vulnerable youth groups.

(2) The board of a school district or board of directors of a public school academy is encouraged to work with school personnel and local or state organizations and resources specializing in suicide prevention and awareness.

(3) The department shall develop or select model programs and materials on suicide prevention and awareness that are appropriate for the purposes of this section, such as the Michigan model for comprehensive school health education, and shall make those model programs and materials available to school districts and public school academies.

(4) If a school district or public school academy provides instruction described in subsection (1), the board of the school district or board of directors of the public school academy shall notify the parents of all pupils of each school in which the instruction is provided about the instruction using the communication method the school district or public school academy normally uses for regular communications with parents.

(5) Failure of a school district or public school academy to comply with subsection (4) does not create a cause of action or constitute a breach of any legal duty in a civil action.

(6) This section shall be known as the “Chase Edwards law”.

This act is ordered to take immediate effect.

Approved July 20, 2006.

Filed with Secretary of State July 20, 2006.

[No. 325]

(INITIATION OF LEGISLATION)

An initiation of legislation to repeal 1975 PA 228, entitled “Single business tax act,” (MCL 208.1 to 208.145); to provide for the collection of taxes due under current law on business activity in this state through December 31, 2007; and to encourage the legislature to adopt a tax that is less burdensome and less costly to employers, and more conducive to job creation and investment.

The People of the State of Michigan enact:

208.151 Purpose.

Sec. 1. The purpose of this initiated law is to:

(a) Repeal the single business tax on business activity in this state after December 31, 2007; and

(b) Encourage the legislature to adopt a tax that is less burdensome and less costly to employers, more equitable, and more conducive to job creation and investment.

208.152 Proration.

Sec. 2. The department of treasury shall prorate the liability for the tax imposed under the single business tax act as necessary to impose the equivalent of a tax at the rate of zero on business activity after December 31, 2007.

208.153 Affirmation of existing tax liabilities.

Sec. 3. Except as specifically provided, this initiated law shall not affect the administration, allocation, or apportionment of the tax; payments to counties; nor any appropriation. The obligation of taxpayers and the state for taxes levied or collected on business activity on or before December 31, 2007 is affirmed.

208.154 Severability.

Sec. 4. This act is declared to be severable.

Repeal of MCL 208.1 to 208.145.

Enacting section 1. The single business tax act, 1975 PA 228, MCL 208.1 to 208.145, is repealed effective for tax years that begin after December 31, 2007.

Filed with Secretary of State August 9, 2006.

Compiler's note: Public Act 325 of 2006 was proposed by initiative petition pursuant to Const 1963, art II, § 9. On August 9, 2006, the initiative petition was approved by an affirmative vote of the majority of the Senate and the House of Representatives, and filed with the Secretary of State.

[No. 326]

(SB 784)

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to

provide penalties for the violation of this act; and to repeal acts and parts of acts,” (MCL 211.1 to 211.157) by adding section 7jj.

The People of the State of Michigan enact:

211.7jj Federally-qualified health center; tax exemption; definition.

Sec. 7jj. Beginning December 31, 2004, real and personal property of a federally-qualified health center is exempt from the collection of taxes under this act. As used in this section, “federally-qualified health center” means that term as defined in section 1396d(l)(2)(B) of the social security act, 42 USC 1396d.

Effective date as retroactive.

Enacting section 1. This amendatory act is retroactive and is effective for taxes levied in December 2004 and each year after December 2004.

This act is ordered to take immediate effect.

Approved August 9, 2006.

Filed with Secretary of State August 10, 2006.

[No. 327]

(HB 5063)

AN ACT to amend 1939 PA 280, entitled “An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates,” by amending section 109 (MCL 400.109), as amended by 2002 PA 673.

The People of the State of Michigan enact:

400.109 Medical services provided under act; notice and approval of proposed change in method or level of reimbursement; definitions.

Sec. 109. (1) The following medical services may be provided under this act:

(a) Hospital services that an eligible individual may receive consist of medical, surgical, or obstetrical care, together with necessary drugs, X-rays, physical therapy, prosthesis, transportation, and nursing care incident to the medical, surgical, or obstetrical care. The period of inpatient hospital service shall be the minimum period necessary in this type of

facility for the proper care and treatment of the individual. Necessary hospitalization to provide dental care shall be provided if certified by the attending dentist with the approval of the department of community health. An individual who is receiving medical treatment as an inpatient because of a diagnosis of tuberculosis or mental disease may receive service under this section, notwithstanding the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, and 1925 PA 177, MCL 332.151 to 332.164. The department of community health shall pay for hospital services in accordance with the state plan for medical assistance adopted under section 10 and approved by the United States department of health and human services.

(b) An eligible individual may receive physician services authorized by the department of community health. The service may be furnished in the physician's office, the eligible individual's home, a medical institution, or elsewhere in case of emergency. A physician shall be paid a reasonable charge for the service rendered. Reasonable charges shall be determined by the department of community health and shall not be more than those paid in this state for services rendered under title XVIII.

(c) An eligible individual may receive nursing home services in a state licensed nursing home, a medical care facility, or other facility or identifiable unit of that facility, certified by the appropriate authority as meeting established standards for a nursing home under the laws and rules of this state and the United States department of health and human services, to the extent found necessary by the attending physician, dentist, or certified Christian Science practitioner. An eligible individual may receive nursing services in a short-term nursing care program established under section 22210 of the public health code, 1978 PA 368, MCL 333.22210, to the extent found necessary by the attending physician when the combined length of stay in the acute care bed and short-term nursing care bed exceeds the average length of stay for medicaid hospital diagnostic related group reimbursement. The department of community health shall not make a final payment pursuant to title XIX for benefits available under title XVIII without documentation that title XVIII claims have been filed and denied. The department of community health shall pay for nursing home services in accordance with the state plan for medical assistance adopted according to section 10 and approved by the United States department of health and human services. A county shall reimburse a county maintenance of effort rate determined on an annual basis for each patient day of medicaid nursing home services provided to eligible individuals in long-term care facilities owned by the county and licensed to provide nursing home services. For purposes of determining rates and costs described in this subdivision, all of the following apply:

(i) For county owned facilities with per patient day updated variable costs exceeding the variable cost limit for the county facility, county maintenance of effort rate means 45% of the difference between per patient day updated variable cost and the concomitant nursing home-class variable cost limit, the quantity offset by the difference between per patient day updated variable cost and the concomitant variable cost limit for the county facility. The county rate shall not be less than zero.

(ii) For county owned facilities with per patient day updated variable costs not exceeding the variable cost limit for the county facility, county maintenance of effort rate means 45% of the difference between per patient day updated variable cost and the concomitant nursing home class variable cost limit.

(iii) For county owned facilities with per patient day updated variable costs not exceeding the concomitant nursing home class variable cost limit, the county maintenance of effort rate shall equal zero.

(iv) For the purposes of this section: "per patient day updated variable costs and the variable cost limit for the county facility" shall be determined pursuant to the state plan

for medical assistance; for freestanding county facilities the “nursing home class variable cost limit” shall be determined pursuant to the state plan for medical assistance and for hospital attached county facilities the “nursing class variable cost limit” shall be determined pursuant to the state plan for medical assistance plus \$5.00 per patient day; and “freestanding” and “hospital attached” shall be determined in accordance with the federal regulations.

(v) If the county maintenance of effort rate computed in accordance with this section exceeds the county maintenance of effort rate in effect as of September 30, 1984, the rate in effect as of September 30, 1984 shall remain in effect until a time that the rate computed in accordance with this section is less than the September 30, 1984 rate. This limitation remains in effect until December 31, 2007. For each subsequent county fiscal year the maintenance of effort may not increase by more than \$1.00 per patient day each year.

(vi) For county owned facilities, reimbursement for plant costs will continue to be based on interest expense and depreciation allowance unless otherwise provided by law.

(d) An eligible individual may receive pharmaceutical services from a licensed pharmacist of the person’s choice as prescribed by a licensed physician or dentist and approved by the department of community health. In an emergency, but not routinely, the individual may receive pharmaceutical services rendered personally by a licensed physician or dentist on the same basis as approved for pharmacists.

(e) An eligible individual may receive other medical and health services as authorized by the department of community health.

(f) Psychiatric care may also be provided pursuant to the guidelines established by the department of community health to the extent of appropriations made available by the legislature for the fiscal year.

(g) An eligible individual may receive screening, laboratory services, diagnostic services, early intervention services, and treatment for chronic kidney disease pursuant to guidelines established by the department of community health. A clinical laboratory performing a creatinine test on an eligible individual pursuant to this subdivision shall include in the lab report the glomerular filtration rate (eGFR) of the individual and shall report it as a percent of kidney function remaining.

(2) The director shall provide notice to the public, in accordance with applicable federal regulations, and shall obtain the approval of the committees on appropriations of the house of representatives and senate of the legislature of this state, of a proposed change in the statewide method or level of reimbursement for a service, if the proposed change is expected to increase or decrease payments for that service by 1% or more during the 12 months after the effective date of the change.

(3) As used in this act:

(a) “Title XVIII” means title XVIII of the social security act, 42 USC 1395 to 1395b, 1395b-2, 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to 1395t, 1395u to 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28, 1395x to 1395yy, and 1395bbb to 1395ggg.

(b) “Title XIX” means title XIX of the social security act, 42 USC 1396 to 1396r-6 and 1396r-8 to 1396v.

(c) “Title XX” means title XX of the social security act, 42 USC 1397 to 1397f.

This act is ordered to take immediate effect.

Approved August 9, 2006.

Filed with Secretary of State August 10, 2006.

[No. 328]**(HB 5839)**

AN ACT to amend 1987 PA 96, entitled “An act to create a mobile home commission; to prescribe its powers and duties and those of local governments; to provide for a mobile home code and the licensure, regulation, construction, operation, and management of mobile home parks, the licensure and regulation of retail sales dealers, warranties of mobile homes, and service practices of dealers; to provide for the titling of mobile homes; to prescribe the powers and duties of certain agencies and departments; to provide remedies and penalties; to declare the act to be remedial; to repeal this act on a specific date; and to repeal certain acts and parts of acts,” by amending sections 4, 5, 6, 9, 12, 16, 17, 21, 30a, and 30c (MCL 125.2304, 125.2305, 125.2306, 125.2309, 125.2312, 125.2316, 125.2317, 125.2321, 125.2330a, and 125.2330c).

The People of the State of Michigan enact:

125.2304 Powers of commission; duties of director; prohibition; exception.

Sec. 4. (1) The commission may do all of the following:

(a) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, recommend rules to the department to implement and administer this act.

(b) Act for the purpose of establishing a uniform policy relating to all phases of mobile home businesses, mobile home parks, and seasonal mobile home parks.

(c) Determine the sufficiency of local mobile home ordinances which are designed to provide local governments with superintending control over mobile home businesses, mobile home parks, or seasonal mobile homes parks.

(d) Conduct public hearings relating to the powers prescribed in this subsection.

(2) The director or an authorized representative of the director shall do all of the following:

(a) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, promulgate rules to implement and administer this act.

(b) Conduct hearings relating to violations of this act or rules promulgated under this act.

(c) Make investigations to determine compliance with this act and rules promulgated under this act.

(d) Provide assistance to the commission as the commission requires.

(e) On not less than a quarterly basis, the director or an authorized representative of the director shall report to the commission on the expenditure of all fees collected under this act and the relation of such expenditures to the enforcement and administration of this act.

(3) The commission shall not act for the purpose of regulating mobile homes that are not located within a mobile home park or a seasonal mobile home park, except as relates to the business, sales, and service practices of mobile home dealers and the business practices of mobile home installers and repairers.

125.2305 Mobile home code; promulgation; rules.

Sec. 5. (1) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, the department shall promulgate the mobile home code subject to section 4. The code shall consist of rules governing all of the following:

(a) The licensure, density, layout, permits for construction, construction of mobile home parks including standards for roads, utilities, open space, or proposed recreational facilities, and safety measures sufficient to protect health, safety, and welfare of mobile home park residents, except water supply, sewage collection and treatment, and drainage facilities which are regulated by the department of environmental quality.

(b) The business, sales, and service practices of mobile home dealers.

(c) The business practices of mobile home installers and repairers.

(d) The licensure and regulations of mobile home installers and repairers.

(e) The setup and installation of mobile homes inside mobile home parks or seasonal mobile home parks.

(f) The regulation of the responsibilities, under the mobile home warranty, of the mobile home components manufacturer, the mobile home assembler or manufacturer, and the mobile home dealer, including the time period and relationships of each under the warranty, and the remedies available, if any, if the responsible parties cease to operate as a business.

(g) Abuses relating to all of the following:

(i) Consumer deposits, except utility deposits from consumers who are direct customers of utilities regulated by the Michigan public service commission.

(ii) Detailed listing of furnishings and fixtures by a manufacturer of a new mobile home or a mobile home dealer for a used mobile home.

(iii) Disclosure and delivery of manufacturer's warranties.

(iv) Used mobile homes. A mobile home dealer shall provide detailed listing of its service records for used mobile homes which are being sold by the dealer and of which the dealer has knowledge.

(h) Applications for and issuance of certificates of title for mobile homes.

(2) As part of the code, the department shall also promulgate rules governing the licensure, density, layout, permits for construction, and construction of seasonal mobile home parks, including standards for roads, utilities, open space, proposed recreational facilities, and safety measures sufficient to protect the health, safety, and welfare of seasonal mobile home park residents, except water supply, sewage collection and treatment, and drainage facilities, which shall be regulated by the department of environmental quality.

(3) The rules promulgated for seasonal mobile home parks may impose a less stringent standard than the rules promulgated for mobile home parks.

125.2306 Promulgation of rules by department of environmental quality; representatives of local government to act in advisory capacity; procedures for effective coordination.

Sec. 6. (1) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, the department of environmental quality shall promulgate rules for mobile home parks and seasonal mobile home parks setting forth minimum standards regulating:

(a) Water supply system.

(b) Sewage collection and disposal system.

- (c) Drainage.
- (d) Garbage and rubbish storage and disposal.
- (e) Insect and rodent control.
- (f) General operation, maintenance, and safety.
- (g) Certification of compliance under section 17.

(2) Representatives of local government shall act in an advisory capacity in the promulgation of the code.

(3) The commission shall consult with appropriate state and local governments in developing the procedures for effective coordination of efforts. The commission shall recommend procedures to the governor and the legislature for coordinating state agency decisions and activities pertaining to this act.

125.2309 Rules establishing fees and charges for licenses or permits; application of fees and charges; funding for commission; rules to adjust fees; mobile home code fund; creation; administration; disposition of fees and money; unexpended funds.

Sec. 9. (1) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, the department shall promulgate rules to establish fees and charges for the issuance of licenses or permits under section 5.

(2) The fees and charges under this act shall be applied solely to the implementation of the act and shall constitute the total funding for the commission except as provided in 1959 PA 243, MCL 125.1035 to 125.1043.

(3) A fee shall not be charged for an investigation conducted pursuant to section 36.

(4) A fee shall not be charged or collected by the commission in excess of that necessary to administer and enforce this act.

(5) The department may promulgate rules to adjust the fees established in subsection (1) and in sections 16, 21, 30a, and 30c such that revenues obtained under this act equal appropriations by the legislature for the purpose of administering this act. However, the adjusted fees shall not exceed the fees stated in sections 16, 21, 30a, and 30c.

(6) To accomplish the objectives of this act, a mobile home code fund is created. Fees established by the act for the issuance of licenses, plans approval, permits, certificates of title, and affidavits of affixture are intended to bear a reasonable relation to the cost, including overhead, of the service. The state treasurer is the custodian of the fund and may invest the surplus of the fund in investments that in the state treasurer's judgment are in the best interest of the fund. Earnings from those investments shall be credited to the fund. The state treasurer shall report to the director and the legislature the amount of interest credited and the balance of the fund as of September 30 of each year. The director shall supervise and administer the fund. Fees received by the department and money collected under the act shall be deposited in the fund and shall be appropriated by the legislature for the operation of the bureau of construction codes and fire safety and indirect overhead expenses in the department. Funds that are unexpended at the end of each fiscal year shall be returned to the mobile home code fund.

125.2312 Submission of legal documents and final plans draft; application fee; review; approval; issuance of construction permit.

Sec. 12. (1) When all preliminary approvals are made, the developer shall submit the legal documents and the final plans draft to the department.

(2) The nonrefundable fee for an application for plans approval and a permit for new mobile home park construction or for the expansion of an existing licensed mobile home park is \$185.00 plus an additional \$4.00 for each home site over 25 home sites, to a maximum of \$1,000.00. The nonrefundable fee for an application for an extension of a permit to construct is \$185.00.

(3) The nonrefundable fee for the construction of a new home condominium or the expansion of an existing home condominium is \$505.00, plus an additional \$4.00 for each home condominium home site over 25 home sites that is to be constructed.

(4) The nonrefundable fee for an existing licensed mobile home park that converts to a home condominium with an increase in the number of home sites is \$505.00, plus an additional \$4.00 for each home condominium home site over 25 home sites, to a maximum of \$1,480.00.

(5) The nonrefundable fee for an application for a permit to construct for an alteration to an existing mobile home park is \$50.00.

(6) The department shall review the filing and within 90 days after filing issue its approval or disapproval. Upon the approval of all the reviewing agencies, the department shall issue a permit to construct the mobile home park or seasonal mobile home park.

125.2316 License to operate mobile home park or seasonal mobile home park required; grant and renewal; fees; licensure of campground as seasonal mobile home park.

Sec. 16. (1) A person shall not operate a mobile home park or seasonal mobile home park without a license.

(2) Upon completion, review, and approval of certifications, the department shall grant a license to operate a mobile home park or seasonal mobile home park.

(3) A 3-year license shall be granted and renewed by the department based upon the certifications and recommendations of the appropriate agencies and local governments. The fee for the 3-year license to operate a mobile home park is \$225.00, plus an additional \$3.00 for each home site in excess of 25 home sites in the mobile home park, or any lesser amount established pursuant to section 9(5). The fee for a 3-year license to operate a seasonal mobile home park is \$120.00, plus an additional \$1.50 for each home site in excess of 25 home sites in the seasonal mobile home park, or any lesser amount established pursuant to section 9(5).

(4) If a person submits a timely application for renewal of a license and pays the appropriate fee, the person may continue to operate a mobile home park or seasonal mobile home park unless notified that the application for renewal is not approved.

(5) A campground which is currently licensed under sections 12501 to 12516 of the public health code, 1978 PA 368, MCL 333.12501 to 333.12516, was previously licensed under the licensing provisions of 1959 PA 243, MCL 125.1035 to 125.1043 as a seasonal trailer park and which currently meets the seasonal trailer park construction standards under 1959 PA 243, MCL 125.1035 to 125.1043, may apply for and shall be licensed as a seasonal mobile home park under this act if the campground meets all other requirements for licensure under this act as a seasonal mobile home park.

125.2317 Inspection of mobile home parks and seasonal mobile home parks; issuance of license.

Sec. 17. (1) The department of environmental quality or its authorized representative shall conduct a physical inspection of mobile home parks and seasonal mobile home parks in accordance with standards established by the department of environmental quality. If the mobile home park or seasonal mobile home park is approved, the department shall issue a license pursuant to section 16.

(2) Except for purposes of issuing a license or renewing a license pursuant to this act, a local government may not make an inspection unless it has reason to believe that this act, the code, or rules promulgated pursuant to this act were violated.

125.2321 Licensing mobile home dealers, installers, or repairers; initial or renewal license; application; consent to service of process; duration and expiration of license; license fee; license of successor; continuation of sales.

Sec. 21. (1) A mobile home dealer shall not engage in the retail sale of a mobile home without a license.

(2) A mobile home dealer, mobile home installer, or repairer may obtain an initial or renewal license by filing with the commission an application together with consent to service of process in a form prescribed by the commission pursuant to section 35.

(3) An initial or renewal license under this act shall be issued for 3 years. Licenses shall expire on October 1.

(4) The license fee for a mobile home dealer is \$450.00 or any other lesser amount established pursuant to section 9(5).

(5) The license fee for a mobile home installer or repairer is \$150.00 or any other lesser amount established pursuant to section 9(5).

(6) A licensed mobile home dealer, mobile home installer, or repairer may file an application for the license of a successor, whether or not the successor is then in existence, for the unexpired portion of the year. The commission may grant or deny the application.

(7) A licensee who submits a timely application for renewal of a license and pays the appropriate fee may continue sales of mobile homes unless notified that the application for renewal is not approved.

125.2330a Certificate of title; application; form; fee; signature; acknowledgment; contents; bond; examination of application; determination; investigation; additional information; rejection of application; duplicate, replacement, or corrected title; placing or terminating lien on title; placing name on title; fee.

Sec. 30a. (1) An owner of a mobile home which is subject to the certificate of title provisions of this act shall make application to the department for the issuance of a certificate of title for the mobile home upon the appropriate form furnished by the department, accompanied by a fee of \$90.00 or any lesser amount established pursuant to section 9(5). The application shall bear the signature of the owner written in ink, shall be acknowledged by the owner before a person authorized to take acknowledgments, and shall contain:

(a) The name and address of the owner.

(b) A description of the mobile home, including the name of the manufacturer, the year and model, and the manufacturer's serial number or, in the absence of a serial number, a number assigned by the department. A number assigned by the department shall be permanently placed on the mobile home in the manner and place designated by the department.

(c) A statement of the names and addresses of the holders of any security interests in the mobile home, in the order of their priority.

(d) Further information as may reasonably be required by the department to enable it to determine whether the owner of the mobile home is entitled to a certificate of title for the mobile home.

(2) If the department is not satisfied as to the ownership of the mobile home, before issuing a certificate of title for it, the department may require the applicant to file a properly executed surety bond in a form prescribed by the department, executed by the applicant and a company authorized to conduct a surety business in this state. The bond shall be in an amount equal to twice the value of the mobile home as determined by the department and shall be conditioned to indemnify or reimburse the department, any prior owner, any holder of a security interest in the mobile home, and any subsequent purchaser of the mobile home, and their successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, by reason of the issuance of a certificate of title to the mobile home or on account of any defect in the right, title, or interest of the applicant in and to the mobile home. Each interested person has a right of action to recover on the bond for a breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond shall be returned at the end of 5 years, or before 5 years if the currently valid certificate of title is surrendered to the department, unless the department has received notification of the pendency of an action to recover on the bond.

(3) The department shall examine and determine the genuineness, regularity, and legality of an application for a certificate of title for a mobile home and of any other application lawfully made to the department, and may in all cases make investigation or require additional information as may be considered necessary, and shall reject any application if not satisfied of the genuineness, regularity, or legality of it or the truth of any statement contained in it, or for any other reason, when authorized by law.

(4) The fee for obtaining a duplicate, replacement, or corrected title, for placing or terminating a lien on the title, or for placing a name on the title is \$15.00 or any other lesser amount established pursuant to section 9(5).

125.2330c Transfer or assignment of title or interest; indorsement; mailing or delivering certificate; effective date of transfer; issuance of new certificate; fee; reservation or creation of security interest; mobile home dealer as transferee; transfer of dealer's title or interest.

Sec. 30c. (1) If the owner of a mobile home transfers or assigns the owner's title or interest to the mobile home, the owner shall indorse an assignment of the mobile home with warranty of title with a statement of all security interests in the mobile home, and shall cause the certificate to be mailed or delivered to the department or to the purchaser or transferee at the time of the delivery to the purchaser or transferee of the mobile home.

(2) Upon the delivery of a mobile home and the transfer, sale, or assignment of the title or interest in a mobile home, the effective date of the transfer of title or interest shall be the date of execution of either the application for title or the certificate of title.

(3) The purchaser or transferee, unless the purchaser or transferee is a licensed dealer, shall cause to be presented to the department the certificate of title accompanied by the applicable fee, as follows:

(a) Except as provided in subdivision (b) or (c), \$90.00.

(b) Except as provided in subdivision (c), \$15.00, if the sale, assignment, or other transfer will require the addition or deletion from the certificate of title of any of the following:

(i) The owner's spouse.

(ii) A person related to the owner within the fourth degree of consanguinity as computed by the civil law method.

(iii) A person related to the owner's spouse within the fourth degree of consanguinity as computed by the civil law method.

(c) Any other lesser amount established pursuant to section 9(5).

(4) Upon presentation of the certificate of title accompanied by the applicable fee, a new certificate of title shall be issued. A certificate of title issued under subsection (3) and this subsection shall be mailed or delivered to the owner or any other person the owner may direct in a separate instrument in a form as prescribed by the department.

(5) If a security interest is reserved or created at the time of the transfer, the parties shall comply with section 30d.

(6) If the transferee of a mobile home is a mobile home dealer who holds the mobile home for resale, the dealer shall not be required to forward the certificate of title to the department, but the dealer shall retain possession of the assigned certificate of title. Upon transfer of the dealer's title or interest to another person, the dealer shall execute and acknowledge an assignment and warranty of title upon the certificate of title and deliver it to the person to whom the transfer is made if the person is a licensed dealer; otherwise application for a new title shall be made by the transferor as provided in section 30a(1).

Effective date.

Enacting section 1. This amendatory act takes effect August 1, 2006.

This act is ordered to take immediate effect.

Approved August 9, 2006.

Filed with Secretary of State August 10, 2006.

[No. 329]

(HB 6005)

AN ACT to amend 1975 PA 197, entitled "An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials," by amending section 3b (MCL 125.1653b), as amended by 1993 PA 323.

The People of the State of Michigan enact:

125.1653b Ratification and validation of ordinance and actions; compliance.

Sec. 3b. (1) An ordinance enacted by a municipality that has a population of less than 50,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken under that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the public hearing on the establishment of the authority, creation

of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, if the notice was published or posted at least 15 days before the hearing or the authority was established in 1984 by a village that filed the ordinance with the secretary of state not later than March, 1986. This section applies only to an ordinance adopted by a municipality before February 1, 1991, and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority, the incorporating municipality, or a county on behalf of the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 3(4) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before October 1, 1991. As used in this section, “notice was published” means publication of the notice occurred at least once.

(2) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 3,000 before June 15, 1988 rather than by adoption of an ordinance is ratified and validated, if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.

(3) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 7,000 before June 1, 1998 rather than by adoption of an ordinance is ratified and validated if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.

This act is ordered to take immediate effect.

Approved August 9, 2006.

Filed with Secretary of State August 10, 2006.

[No. 330]

(SB 1083)

AN ACT to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; community health and certain state purposes related to mental health, public health, and medical services.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30,

2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	4,658.1	
Average population	1,109.0	
GROSS APPROPRIATION		\$ 11,196,157,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	37,286,100	
ADJUSTED GROSS APPROPRIATION		\$ 11,158,871,300
Federal revenues:		
Total federal revenues	6,042,584,700	
Special revenue funds:		
Total local revenues	241,177,400	
Total private revenues	63,826,900	
Merit award trust fund	175,800,000	
Total other state restricted revenues	1,695,399,600	
State general fund/general purpose		\$ 2,940,082,700

Departmentwide administration.

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	208.0	
Director and other unclassified—6.0 FTE positions		\$ 581,500
Community health advisory council		7,000
Departmental administration and management—		
198.0 FTE positions	22,489,900	
Worker's compensation program	10,600,000	
Human resources optimization user charges	277,600	
Rent and building occupancy	10,877,700	
Developmental disabilities council and projects—		
10.0 FTE positions	2,724,000	
GROSS APPROPRIATION		\$ 47,557,700
Appropriated from:		
Federal revenues:		
Total federal revenues	11,694,000	
Special revenue funds:		
Total private revenues	35,900	
Total other state restricted revenues	3,488,400	
State general fund/general purpose		\$ 32,339,400

Mental health/substance abuse services administration and special projects.

Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Full-time equated classified positions	113.0	
Mental health/substance abuse program administration—		
112.0 FTE positions		\$ 12,507,600

		For Fiscal Year Ending Sept. 30, 2007
Consumer involvement program	\$	189,100
Gambling addiction—1.0 FTE position.....		3,500,000
Protection and advocacy services support.....		777,400
Mental health initiatives for older persons.....		1,291,200
Community residential and support services.....		2,906,800
Highway safety projects		400,000
Federal and other special projects.....		1,902,200
Family support subsidy		19,036,000
Housing and support services		7,806,800
Methamphetamine cleanup fund		175,000
GROSS APPROPRIATION.....	\$	50,492,100
Appropriated from:		
Federal revenues:		
Total federal revenues.....		32,185,100
Special revenue funds:		
Total private revenues.....		190,000
Total other state restricted revenues.....		3,500,000
State general fund/general purpose	\$	14,617,000

Community mental health/substance abuse services programs.

Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Full-time equated classified positions	9.5	
Medicaid mental health services	\$	1,797,294,900
Community mental health non-Medicaid services		317,772,300
Medicaid adult benefits waiver		40,000,000
Multicultural services		5,163,800
Medicaid substance abuse services.....		35,622,900
Respite services		1,000,000
CMHSP, purchase of state services contracts		128,681,500
Civil service charges		1,765,500
Federal mental health block grant—2.5 FTE positions		15,355,000
State disability assistance program substance abuse services		2,509,800
Community substance abuse prevention, education and treatment programs		85,919,100
Children's waiver home care program.....		19,549,800
Omnibus reconciliation act implementation—7.0 FTE positions		12,505,200
Children with serious emotional disturbance waiver.....		570,000
GROSS APPROPRIATION.....	\$	2,463,709,800
Appropriated from:		
Federal revenues:		
Total federal revenues.....		1,164,470,700
Special revenue funds:		
Total local revenues		26,072,100
Total other state restricted revenues.....		112,208,900
State general fund/general purpose	\$	1,160,958,100

For Fiscal Year
Ending Sept. 30,
2007

State psychiatric hospitals, centers for persons with developmental disabilities, and forensic and prison mental health services.

Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

Total average population.....	1,109.0	
Full-time equated classified positions	2,900.3	
Caro regional mental health center - psychiatric hospital - adult— 482.3 FTE positions.....		\$ 41,511,600
Average population	179.0	
Kalamazoo psychiatric hospital - adult—466.6 FTE positions		40,392,200
Average population	186.0	
Walter P. Reuther psychiatric hospital - adult— 437.3 FTE positions.....		40,549,700
Average population	236.0	
Hawthorn center - psychiatric hospital - children and adolescents— 219.0 FTE positions.....		19,483,900
Average population	74.0	
Mount Pleasant center - developmental disabilities— 472.7 FTE positions.....		42,954,900
Average population	209.0	
Center for forensic psychiatry—493.0 FTE positions		49,408,800
Average population	225.0	
Forensic mental health services provided to the department of corrections—318.4 FTE positions.....		36,018,600
Revenue recapture		750,000
IDEA, federal special education		120,000
Special maintenance and equipment		335,300
Purchase of medical services for residents of hospitals and centers..		2,045,600
Closed site, transition, and related costs—11.0 FTE positions.....		712,300
Severance pay		216,900
Gifts and bequests for patient living and treatment environment....		1,000,000
GROSS APPROPRIATION.....		\$ 275,499,800
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of corrections.....		36,018,600
Federal revenues:		
Total federal revenues.....		35,269,100
Special revenue funds:		
CMHSP, purchase of state services contracts		128,681,500
Other local revenues		15,548,400
Total private revenues.....		1,000,000
Total other state restricted revenues.....		10,229,300
State general fund/general purpose		\$ 48,752,900

Public health administration.

Sec. 106. PUBLIC HEALTH ADMINISTRATION

Full-time equated classified positions	86.4
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		For Fiscal Year Ending Sept. 30, 2007
Public health administration—11.0 FTE positions.....	\$	1,802,400
Minority health grants and contracts—3.0 FTE positions		1,592,500
Vital records and health statistics—72.4 FTE positions.....		7,658,400
GROSS APPROPRIATION.....	\$	11,053,300
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of human services...		724,100
Federal revenues:		
Total federal revenues		2,854,000
Special revenue funds:		
Total other state restricted revenues.....		5,972,700
State general fund/general purpose	\$	1,502,500

Health policy, regulation, and professions.

Sec. 107. HEALTH POLICY, REGULATION, AND

PROFESSIONS

Full-time equated classified positions.....	405.6	
Health systems administration—193.6 FTE positions		\$ 21,620,000
Emergency medical services program state staff—		
8.5 FTE positions.....		1,423,500
Radiological health administration—21.4 FTE positions		2,506,700
Substance abuse program administration—1.0 FTE position.....		64,400
Emergency medical services grants and services—		
7.0 FTE positions.....		588,900
Health professions—125.0 FTE positions		15,205,400
Health policy, regulation, and professions administration—		
29.7 FTE positions.....		5,366,800
Nurse scholarship, education, and research program—		
3.0 FTE positions.....		903,800
Certificate of need program administration—14.0 FTE positions		1,726,400
Rural health services—1.0 FTE position		1,390,500
Michigan essential health provider.....		1,847,100
Primary care services—1.4 FTE positions		2,265,500
GROSS APPROPRIATION.....	\$	54,909,000
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of treasury,		
Michigan state hospital finance authority		113,000
Federal revenues:		
Total federal revenues		22,559,600
Special revenue funds:		
Total local revenues		227,700
Total private revenues.....		150,000
Total other state restricted revenues.....		24,150,900
State general fund/general purpose	\$	7,707,800

Infectious disease control.

Sec. 108. INFECTIOUS DISEASE CONTROL

Full-time equated classified positions.....49.0

		For Fiscal Year Ending Sept. 30, 2007
AIDS prevention, testing, and care programs—12.0 FTE positions ..	\$	37,428,800
Immunization local agreements		13,990,300
Immunization program management and field support— 15.0 FTE positions.....		1,930,700
Pediatric AIDS prevention and control.....		1,224,800
Sexually transmitted disease control local agreements.....		3,423,200
Sexually transmitted disease control management and field support—22.0 FTE positions.....		3,624,900
GROSS APPROPRIATION.....	\$	61,622,700
Appropriated from:		
Federal revenues:		
Total federal revenues.....		40,921,800
Special revenue funds:		
Total private revenues.....		7,997,900
Total other state restricted revenues.....		8,575,800
State general fund/general purpose	\$	4,127,200

Laboratory services.

Sec. 109. LABORATORY SERVICES

Full-time equated classified positions.....	122.0	
Bovine tuberculosis—2.0 FTE positions		\$ 500,000
Laboratory services—120.0 FTE positions		15,543,700
GROSS APPROPRIATION.....		\$ 16,043,700
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of environmental quality		430,400
Federal revenues:		
Total federal revenues.....		3,093,200
Special revenue funds:		
Total other state restricted revenues.....		5,420,200
State general fund/general purpose		\$ 7,099,900

Epidemiology.

Sec. 110. EPIDEMIOLOGY

Full-time equated classified positions.....	134.5	
AIDS surveillance and prevention program.....		\$ 2,419,900
Asthma prevention and control—2.3 FTE positions.....		1,055,300
Bioterrorism preparedness—76.1 FTE positions		50,605,200
Epidemiology administration—41.1 FTE positions.....		6,640,100
Lead abatement program—7.0 FTE positions.....		2,143,400
Newborn screening follow-up and treatment services— 8.0 FTE positions.....		3,862,300
Tuberculosis control and recalcitrant AIDS program		867,000
GROSS APPROPRIATION.....		\$ 67,593,200
Appropriated from:		
Federal revenues:		
Total federal revenues.....		61,099,500

For Fiscal Year
Ending Sept. 30,
2007

Special revenue funds:		
Total private revenues.....	\$	25,000
Total other state restricted revenues.....		4,307,600
State general fund/general purpose	\$	2,161,100

Local health administration and grants.

Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS

Implementation of 1993 PA 133, MCL 333.17015	\$	100,000
Local health services.....		220,000
Local public health operations.....		40,618,400
Medical services cost reimbursement to local health departments...		3,110,000
GROSS APPROPRIATION.....	\$	44,048,400
Appropriated from:		
Federal revenues:		
Total federal revenues.....		3,110,000
Special revenue funds:		
Total local revenues		5,150,000
Total other state restricted revenues.....		243,500
State general fund/general purpose	\$	35,544,900

Chronic disease and injury prevention and health promotion.

Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Full-time equated classified positions.....65.5		
African-American male health initiative	\$	106,700
AIDS and risk reduction clearinghouse and media campaign.....		1,576,000
Alzheimer's information network		412,900
Cancer prevention and control program—15.3 FTE positions		15,145,400
Chronic disease prevention—10.0 FTE positions.....		4,416,900
Diabetes and kidney program—11.1 FTE positions		3,726,400
Health education, promotion, and research programs—		
9.3 FTE positions.....		770,000
Injury control intervention project—1.0 FTE position.....		100,900
Michigan Parkinson's foundation		50,000
Morris Hood Wayne State University diabetes outreach.....		400,000
Physical fitness, nutrition, and health		700,000
Public health traffic safety coordination—1.7 FTE positions.....		584,900
Smoking prevention program—15.1 FTE positions.....		5,632,400
Tobacco tax collection and enforcement		610,000
Violence prevention—2.0 FTE positions.....		1,896,900
GROSS APPROPRIATION.....	\$	36,129,400
Appropriated from:		
Federal revenues:		
Total federal revenues.....		19,987,500
Special revenue funds:		
Total private revenues.....		85,000
Total other state restricted revenues.....		14,901,700
State general fund/general purpose	\$	1,155,200

For Fiscal Year
Ending Sept. 30,
2007

Family, maternal, and children's health services.

Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S

HEALTH SERVICES

Full-time equated classified positions	50.4	
Childhood lead program—6.8 FTE positions		\$ 2,536,100
Dental programs		485,400
Dental program for persons with developmental disabilities.....		151,000
Early childhood collaborative secondary prevention		524,000
Family, maternal, and children's health services administration— 41.6 FTE positions.....		4,780,600
Family planning local agreements		12,270,300
Local MCH services		7,264,200
Migrant health care.....		272,200
Pregnancy prevention program		5,733,400
Prenatal care outreach and service delivery support		3,049,300
School health and education programs		500,000
Special projects—2.0 FTE positions		6,214,900
Sudden infant death syndrome program.....		321,300
GROSS APPROPRIATION.....		\$ 44,102,700
Appropriated from:		
Federal revenues:		
Total federal revenues		30,411,300
Special revenue funds:		
Total other state restricted revenues		8,664,000
State general fund/general purpose		\$ 5,027,400

Women, infants, and children food and nutrition program.

Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD

AND NUTRITION PROGRAM

Full-time equated classified positions	41.0	
Women, infants, and children program administration and special projects—41.0 FTE positions		\$ 6,681,000
Women, infants, and children program local agreements and food costs.....		179,272,000
GROSS APPROPRIATION.....		\$ 185,953,000
Appropriated from:		
Federal revenues:		
Total federal revenues		132,714,900
Special revenue funds:		
Total private revenues.....		53,238,100
State general fund/general purpose		\$ 0

Children's special health care services.

Sec. 115. CHILDREN'S SPECIAL HEALTH CARE

SERVICES

Full-time equated classified positions	44.0	
Children's special health care services administration— 44.0 FTE positions.....		\$ 4,296,900
Amputee program		184,600

		For Fiscal Year Ending Sept. 30, 2007
Bequests for care and services.....	\$	1,889,100
Outreach and advocacy		3,773,500
Nonemergency medical transportation.....		1,289,100
Medical care and treatment		173,641,600
GROSS APPROPRIATION	\$	185,074,800
Appropriated from:		
Federal revenues:		
Total federal revenues		90,016,200
Special revenue funds:		
Total private revenues.....		1,000,000
Total other state restricted revenues		2,584,500
State general fund/general purpose	\$	91,474,100

Office of drug control policy.

Sec. 116. OFFICE OF DRUG CONTROL POLICY

Full-time equated classified positions	16.0	
Drug control policy—16.0 FTE positions	\$	2,104,600
Anti-drug abuse grants		16,105,400
Interdepartmental grant to judiciary for drug treatment courts.....		1,800,000
GROSS APPROPRIATION	\$	20,010,000
Appropriated from:		
Federal revenues:		
Total federal revenues		18,399,500
State general fund/general purpose	\$	1,610,500

Crime victim services commission.

Sec. 117. CRIME VICTIM SERVICES COMMISSION

Full-time equated classified positions	10.0	
Grants administration services—10.0 FTE positions	\$	1,087,500
Justice assistance grants		13,000,000
Crime victim rights services grants.....		10,800,000
GROSS APPROPRIATION	\$	24,887,500
Appropriated from:		
Federal revenues:		
Total federal revenues		14,770,300
Special revenue funds:		
Total other state restricted revenues		10,117,200
State general fund/general purpose	\$	0

Office of services to the aging.

Sec. 118. OFFICE OF SERVICES TO THE AGING

Full-time equated classified positions	36.5	
Commission (per diem \$50.00)	\$	10,500
Office of services to aging administration—36.5 FTE positions.....		5,324,100
Community services		35,204,200
Nutrition services		37,290,500
Foster grandparent volunteer program		2,813,500
Retired and senior volunteer program		790,200
Senior companion volunteer program		2,021,200
Employment assistance		2,818,300

		For Fiscal Year Ending Sept. 30, 2007
Respite care program	\$	7,600,000
GROSS APPROPRIATION	\$	93,872,500
Appropriated from:		
Federal revenues:		
Total federal revenues		52,251,400
Special revenue funds:		
Total private revenues		105,000
Merit award trust fund		5,000,000
Total other state restricted revenues		2,767,000
State general fund/general purpose	\$	33,749,100

Michigan first healthcare plan.

Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN

Michigan first healthcare plan	\$	100,000,000
GROSS APPROPRIATION	\$	100,000,000
Appropriated from:		
Federal revenues:		
Total federal revenues		100,000,000
State general fund/general purpose	\$	0

Medical services administration.

Sec. 120. MEDICAL SERVICES ADMINISTRATION

Full-time equated classified positions	366.4	
Medical services administration—366.4 FTE positions	\$	70,072,300
Facility inspection contract - state police		132,800
MICHild administration		4,327,800
Health information technology initiatives		9,500,000
GROSS APPROPRIATION	\$	84,032,900
Appropriated from:		
Federal revenues:		
Total federal revenues		56,661,000
State general fund/general purpose	\$	27,371,900

Medical services.

Sec. 121. MEDICAL SERVICES

Hospital services and therapy	\$	1,124,379,500
Hospital disproportionate share payments		50,000,000
Physician services		276,530,100
Medicare premium payments		311,929,600
Pharmaceutical services		56,828,700
Home health services		5,580,300
Hospice services		64,181,300
Transportation		9,765,200
Auxiliary medical services		5,621,300
Dental services		101,750,800
Ambulance services		11,376,000
Long-term care services		1,594,415,800
Medicaid home- and community-based services waiver		100,000,000
Adult home help services		221,924,000
Personal care services		25,509,700

	For Fiscal Year Ending Sept. 30, 2007
Program of all-inclusive care for the elderly	\$ 11,200,000
Single point of entry	9,000,000
Health plan services.....	2,484,260,000
MIChild program	46,575,600
Medicaid adult benefits waiver	122,239,500
County indigent care and third share plans	88,518,500
Federal Medicare pharmaceutical program.....	177,800,000
Promotion of healthy behavior waiver	10,000,000
Maternal and child health.....	20,279,500
Social services to the physically disabled.....	1,344,900
Subtotal basic medical services program	6,931,010,300
School-based services.....	76,235,400
Special Medicaid reimbursement	290,892,100
Subtotal special medical services payments	367,127,500
GROSS APPROPRIATION.....	\$ 7,298,137,800
Appropriated from:	
Federal revenues:	
Total federal revenues	4,130,819,100
Special revenue funds:	
Total local revenues	65,497,700
Merit award trust fund.....	170,800,000
Total other state restricted revenues.....	1,475,211,000
State general fund/general purpose	\$ 1,455,810,000

Information technology.

Sec. 122. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$ 31,427,000
Michigan Medicaid information system	100
GROSS APPROPRIATION.....	\$ 31,427,100
Appropriated from:	
Federal revenues:	
Total federal revenues	19,296,500
Special revenue funds:	
Total other state restricted revenues	3,056,900
State general fund/general purpose	\$ 9,073,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

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 2006-2007 is \$4,811,282,300.00

and state spending from state resources to be paid to units of local government for fiscal year 2006-2007 is \$1,317,715,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

ADMINISTRATION AND SPECIAL PROJECTS

Community residential and support services	\$	387,300
Housing and support services		695,500
Methamphetamine cleanup fund		175,000
Mental health initiatives for older persons		1,049,200

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

State disability assistance program substance abuse services	\$	2,509,800
Community substance abuse prevention, education, and treatment programs		19,190,500
Medicaid mental health services		757,907,600
Community mental health non-Medicaid services		317,772,300
Medicaid adult benefits waiver		12,212,000
Multicultural services		5,163,800
Medicaid substance abuse services.....		15,538,700
Respite services		1,000,000
Children's waiver home care program.....		2,387,800
Omnibus budget reconciliation act implementation		2,897,400

STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

Center for forensic psychiatry	\$	290,300
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PUBLIC HEALTH ADMINISTRATION

Minority health grants and contracts	\$	100,000
Public health administration.....		76,000

HEALTH POLICY, REGULATION, AND PROFESSIONS

Health professions	\$	99,700
Primary care services		341,900

INFECTIOUS DISEASE CONTROL

AIDS prevention, testing and care programs	\$	742,200
Immunization local agreements		2,132,000
Sexually transmitted disease control local agreements.....		430,900

LABORATORY SERVICES

Laboratory services	\$	55,400
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LOCAL HEALTH ADMINISTRATION AND GRANTS

Implementation of 1993 PA 133.....	\$	7,700
Local public health operations.....		35,468,400

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Cancer prevention and control program	\$	137,300
Diabetes and kidney program		370,600
Smoking prevention program		1,014,500

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Childhood lead program	\$	136,500
Dental programs		25,000
Family planning local agreements		360,000
Local MCH services		322,200
Pregnancy prevention program		2,300,000
Prenatal care outreach and service delivery support		650,100
School health and education programs		500,000
Special projects		378,900

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Medical care and treatment	\$	528,800
Outreach and advocacy		1,283,200

MEDICAL SERVICES

Long-term care services	\$	81,711,500
Transportation		1,401,300
Medicaid adult benefits waiver		9,573,500

OFFICE OF SERVICES TO THE AGING

Community services	\$	15,054,300
Nutrition services		11,447,300
Foster grandparent volunteer program		791,700
Retired and senior volunteer program		181,300
Senior companion volunteer program		241,400
Respite care program		4,227,400

CRIME VICTIM SERVICES COMMISSION

Crime victim rights services grants	\$	6,446,800
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TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT \$ 1,317,715,000

Appropriations subject to MCL 18.1101 to 18.1594.

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

(2) Funds for which the state is acting as the custodian or agent are not subject to annual appropriation.

Definitions.

Sec. 203. As used in this act:

- (a) "AIDS" means acquired immunodeficiency syndrome.
- (b) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (c) "Department" means the Michigan department of community health.
- (d) "DSH" means disproportionate share hospital.

- (e) “EPSDT” means early and periodic screening, diagnosis, and treatment.
- (f) “FTE” means full-time equated.
- (g) “GME” means graduate medical education.
- (h) “Health plan” means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department’s comprehensive health plan.
- (i) “HIV/AIDS” means human immunodeficiency virus/acquired immune deficiency syndrome.
- (j) “HMO” means health maintenance organization.
- (k) “IDEA” means individuals with disabilities education act.
- (l) “IDG” means interdepartmental grant.
- (m) “MCH” means maternal and child health.
- (n) “MIChild” means the program described in section 1670.
- (o) “MSS/ISS” means maternal and infant support services.
- (p) “Specialty prepaid health plan” means a program described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.
- (q) “Title XVIII” means title XVIII of the social security act, 42 USC 1395 to 1395hhh.
- (r) “Title XIX” means title XIX of the social security act, 42 USC 1396 to 1396v.
- (s) “Title XX” means title XX of the social security act, 49 USC 1397 to 1397f.
- (t) “WIC” means women, infants, and children supplemental nutrition program.

Billing by department of civil service; payments.

Sec. 204. The department of civil service shall bill the department at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Hiring freeze; exceptions.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining the vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or Intranet site.

Purchase of foreign goods or services; out-of-state goods or services.

Sec. 209. (1) Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available.

(2) Funds appropriated in part 1 shall not be used for the purchase of out-of-state goods or services, or both, if competitively priced and comparable quality Michigan goods or services, or both, are available.

Businesses in deprived or depressed communities; contracts to provide services or supplies.

Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Carrying forward excess revenue from fees and collections.

Sec. 211. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Federal maternal and child health block grant; preventive health and health services block grant, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds; use of federal, restricted, private, and local sources of revenue; report.

Sec. 212. (1) From the amounts appropriated in part 1, no greater than the following amounts are supported with federal maternal and child health block grant, preventive health and health services block grant, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds:

(a) Maternal and child health block grant.....	\$	21,162,400
(b) Preventive health and health services block grant.....		4,534,000
(c) Substance abuse block grant		60,496,600
(d) Healthy Michigan fund		43,551,000
(e) Michigan health initiative.....		10,335,900

(2) On or before February 1, 2007, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 of this act.

(3) Upon the release of the fiscal year 2007-2008 executive budget recommendation, the department shall report to the same parties in subsection (2) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the fiscal year 2007-2008 executive budget proposal.

(4) The department shall provide to the same parties in subsection (2) all revenue source detail for consolidated revenue line item detail upon request to the department.

Tobacco tax funds; report.

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds from part 1 shall report by April 1, 2007, to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

- (a) Detailed spending plan by appropriation line item including description of programs.
- (b) Description of allocations or bid processes including need or demand indicators used to determine allocations.
- (c) Eligibility criteria for program participation and maximum benefit levels where applicable.
- (d) Outcome measures to be used to evaluate programs.
- (e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

State-restricted tobacco tax revenue; use.

Sec. 214. The use of state-restricted tobacco tax revenue received for the purpose of tobacco prevention, education, and reduction efforts and deposited in the healthy Michigan fund shall not be used for lobbying as defined in 1978 PA 472, MCL 4.411 to 4.431, and shall not be used in attempting to influence the decisions of the legislature, the governor, or any state agency.

Write-offs of accounts receivable, deferrals, and for prior year obligations.

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

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

(3) The department shall report by March 15, 2007 to the house of representatives and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

Basic health services.

Sec. 218. Basic health services for the purpose of part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are: immunizations, communicable disease control, sexually transmitted disease control, tuberculosis control, prevention of gonorrhea eye infection in newborns, screening newborns for the 8 conditions listed in section 5431(1)(a) through (h) of the public health code, 1978 PA 368, MCL 333.5431, community health annex of the Michigan emergency management plan, and prenatal care.

Contract with Michigan public health institute; design and implementation of projects and other public health related activities; report.

Sec. 219. (1) The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute to carry out these purposes

for up to a 3-year period. The department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1, 2006 and May 1, 2007 all of the following:

- (a) A detailed description of each funded project.
 - (b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.
 - (c) The expected project duration.
 - (d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.
- (2) If a report required under subsection (1) is not received by the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before the date specified for that report, the disbursement of funds to the Michigan public health institute under this section shall stop. The disbursement of those funds shall recommence when the overdue report is received.
- (3) On or before September 30, 2007, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan public health institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan public health institute.

Contracts with Michigan public health institute; audits.

Sec. 220. All contracts with the Michigan public health institute funded with appropriations in part 1 shall include a requirement that the Michigan public health institute submit to financial and performance audits by the state auditor general of projects funded with state appropriations.

Publications, videos and related materials, conferences, and workshops; fees.

Sec. 223. The department of community health may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees shall be used to offset expenditures to pay for printing and mailing costs of the publications, videos and related materials, and costs of the workshops and conferences. The costs shall not exceed fees collected.

Technology-related services and projects; user fees.

Sec. 259. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Information technology; amount designated as work project; carrying forward funds.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Medicaid management information system upgrade; approval of advanced planning document from centers for Medicare and Medicaid services; matching funds.

Sec. 261. Funds appropriated in part 1 for the Medicaid management information system upgrade are contingent upon approval of an advanced planning document from the centers for Medicare and Medicaid services. If the necessary matching funds are identified and legislatively transferred to this line item, the corresponding federal Medicaid revenue shall be appropriated at a 90/10 federal/state match rate. This appropriation may be designated as a work project and carried forward to support completion of this project.

Submission of Medicaid waiver, Medicaid state plan amendment, or similar proposal; notice.

Sec. 264. Upon submission of a Medicaid waiver, a Medicaid state plan amendment, or a similar proposal to the centers for Medicare and Medicaid services, the department shall notify the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies of the submission.

Receipt and retention of reports; guidelines.

Sec. 265. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Out-of-state travel.

Sec. 266. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house of representatives and senate standing committees on appropriations.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house of representatives and senate standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state-restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Communication of employee with legislative member or staff.

Sec. 267. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Mental health prescriptions.

Sec. 269. (1) Of the amount appropriated in part 1 for Medicaid mental health services, \$149,136,400.00 is for prepaid inpatient health plan reimbursement of antipsychotic prescriptions under the Medicaid program. All of the following conditions shall apply to this arrangement:

(a) The department shall develop uniform statewide procedures and practices to be followed by the prepaid inpatient health plans. These procedures and practices shall adhere to the requirements of section 1625 and section 109h of the social welfare act, 1939 PA 280, MCL 400.109h.

(b) The department shall include the actual cost of antipsychotic prescriptions, net of actual rebates, into the actuarially sound capitation rates for the prepaid inpatient health plans.

(c) The department shall develop and implement training for prepaid inpatient health programs regarding billing processes required for reimbursement under this section.

(2) Of the amount appropriated in part 1 for health plan services, \$86,674,300.00 is for Medicaid health plan reimbursement of antidepressant prescriptions under the Medicaid program. All of the following conditions shall apply to this arrangement:

(a) The department shall develop uniform statewide procedures and practices to be followed by the Medicaid health plans. These procedures shall adhere to the requirements of section 1625 and all provisions of the department's fiscal year 2005-2006 contract with Medicaid health plans.

(b) The department shall include the actual cost of antidepressant prescriptions, net of actual rebates, into the actuarially sound capitation rates for the Medicaid health plans.

(3) Medicaid reimbursement of mental health prescriptions that are neither antipsychotics nor antidepressants shall be made from the medical services pharmaceutical services line in part 1. The department shall utilize the same operational procedures for these medications that were followed in fiscal year 2005-2006 and shall adhere to the requirements of section 109h of the social welfare act, 1939 PA 280, MCL 400.109h.

(4) The directors of the medical services administration and the department's mental health and substance abuse administration shall provide a joint quarterly report to the house of representatives, senate, and the senate and house fiscal agencies on the coordination of psychotropic medications under this section.

Recovery of expenses in legal action; notification.

Sec. 270. Within 30 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of

the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

- (a) The total amount recovered from the legal action.
- (b) The program or service for which the money was originally expended.
- (c) Details on the disposition of the funds recovered such as the appropriation or revenue account in which the money was deposited.
- (d) A description of the facts involved in the legal action.

DEPARTMENTWIDE ADMINISTRATION

Payments for employees returning to work under limited duty assignments.

Sec. 301. From funds appropriated for worker's compensation, the department may make payments in lieu of worker's compensation payments for wage and salary and related fringe benefits for employees who return to work under limited duty assignments.

Mental health services; first-party payment from certain individuals or families prohibited.

Sec. 303. The department is prohibited from requiring first-party payment from individuals or families with a taxable income of \$10,000.00 or less for mental health services for determinations made in accordance with section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Contract with protection and advocacy service; legal services.

Sec. 350. The department may enter into a contract with the protection and advocacy service, authorized under section 931 of the mental health code, 1974 PA 258, MCL 330.1931, or a similar organization to provide legal services for purposes of gaining and maintaining occupancy in a community living arrangement which is under lease or contract with the department or a community mental health services program to provide services to persons with mental illness or developmental disability.

Methamphetamine cleanup efforts by local governments.

Sec. 351. From the funds appropriated in part 1 for the methamphetamine cleanup fund, the department shall allow local governments to apply for money to cover their administrative costs associated with methamphetamine cleanup efforts. The funds allocated to local governments for the administrative costs associated with methamphetamine cleanup efforts shall not exceed \$800.00 per property.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**Comprehensive community mental health services under local CMHSPs or specialty prepaid health plans.**

Sec. 401. Funds appropriated in part 1 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs or specialty prepaid health plans. The department shall ensure that each CMHSP or specialty prepaid health plan provides all of the following:

- (a) A system of single entry and single exit.
- (b) A complete array of mental health services which shall include, but shall not be limited to, all of the following services: residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.
- (c) The coordination of inpatient and outpatient hospital services through agreements with state-operated psychiatric hospitals, units, and centers in facilities owned or leased by the state, and privately-owned hospitals, units, and centers licensed by the state pursuant to sections 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to 330.1149b.
- (d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from psychiatric hospitals or centers, and that ensure the full range of recipient needs is addressed through the CMHSP's or specialty prepaid health plan's program or through assistance with locating and obtaining services to meet these needs.
- (e) A system of case management to monitor and ensure the provision of services consistent with the individualized plan of services or supports.
- (f) A system of continuous quality improvement.
- (g) A system to monitor and evaluate the mental health services provided.
- (h) A system that serves at-risk and delinquent youth as required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

Contracts between department and CMHSPs or specialty prepaid health plans; final authorizations; report.

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs or specialty prepaid health plans shall be made upon the execution of contracts between the department and CMHSPs or specialty prepaid health plans. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or specialty prepaid health plan that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or specialty prepaid health plans entered into under this subsection for fiscal year 2006-2007 does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

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

- (a) Any new contracts with CMHSPs or specialty prepaid health plans that would affect rates or expenditures are enacted.
- (b) Any amendments to contracts with CMHSPs or specialty prepaid health plans that would affect rates or expenditures are enacted.

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

Multicultural services.

Sec. 403. From the funds appropriated in part 1 for multicultural services, the department shall ensure that CMHSPs or specialty prepaid health plans meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement.

Community mental health services programs; report.

Sec. 404. (1) Not later than May 31 of each fiscal year, the department shall provide a report on the community mental health services programs to the members of the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that includes the information required by this section.

(2) The report shall contain information for each CMHSP or specialty prepaid health plan and a statewide summary, each of which shall include at least the following information:

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

(b) Per capita expenditures by client population group.

(c) Financial information which, minimally, shall include a description of funding authorized; expenditures by client group and fund source; and cost information by service category, including administration. Service category shall include all department-approved services.

(d) Data describing service outcomes which shall include, but not be limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.

(e) Information about access to community mental health services programs which shall include, but not be limited to, the following:

(i) The number of people receiving requested services.

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

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

(g) An analysis of information provided by community mental health service programs in response to the needs assessment requirements of the mental health code, including information about the number of persons in the service delivery system who have requested and are clinically appropriate for different services.

(h) Lapses and carryforwards during fiscal year 2005-2006 for CMHSPs or specialty prepaid health plans.

(i) Contracts for mental health services entered into by CMHSPs or specialty prepaid health plans with providers, including amount and rates, organized by type of service provided.

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

(i) Expenditures by each CMHSP or specialty prepaid health plan organized by Medicaid eligibility group, including per eligible individual expenditure averages.

(ii) Performance indicator information required to be submitted to the department in the contracts with CMHSPs or specialty prepaid health plans.

(3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP or specialty prepaid health plan.

(4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs or specialty prepaid health plans.

Funds for direct care worker wage pass-through funds.

Sec. 405. (1) It is the intent of the legislature that the employee wage pass-through funded in previous years to the community mental health services programs for direct care workers in local residential settings and for paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided shall continue to be paid to direct care workers.

(2) From the funds appropriated in part 1 for Medicaid mental health services, money shall be utilized to establish a pool of funds available to community mental health services programs, sufficient to provide for increasing the wages and the employer's share of federal insurance contributions act costs of direct care staff by 2% per direct care worker in local residential settings and for paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided, effective October 1, 2006.

(3) Each CMHSP shall make application to the department to receive funds for the direct care worker wage pass-through fund, not to exceed their proportionate share of the money allocated for this purpose. The application shall specify the amount of funds requested and the agencies/programs to receive the wage pass-through funds requested.

(4) Each CMHSP awarded wage pass-through funds shall report on the actual expenditures of such funds in the format to be determined by the department. Any funds not utilized by the CMHSP for the purpose specified in the wage pass-through application shall be deducted from the base allocation to the CMHSP in the subsequent fiscal year.

State disability assistance substance abuse services program; use of funds in residential facilities.

Sec. 406. (1) The funds appropriated in part 1 for the state disability assistance substance abuse services program shall be used to support per diem room and board payments in substance abuse residential facilities. Eligibility of clients for the state disability assistance substance abuse services program shall include needy persons 18 years of age or older, or emancipated minors, who reside in a substance abuse treatment center.

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

Substance abuse prevention, education, and treatment grants; contracting with coordinating agencies.

Sec. 407. (1) The amount appropriated in part 1 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies. Coordinating agencies shall work with the CMHSPs or specialty prepaid health plans to coordinate the care and services provided to individuals with both mental illness and substance abuse diagnoses.

(2) The department shall approve a fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay.

Substance abuse prevention, education, and treatment programs; data to be reported.

Sec. 408. (1) By April 15, 2007, the department shall report the following data from fiscal year 2005-2006 on substance abuse prevention, education, and treatment programs to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office:

(a) Expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by coordinating agency and by subcontractor shall be reported.

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

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

(d) Collections from other first- or third-party payers, private donations, or other state or local programs, by coordinating agency, by subcontractor, by population served, and by service type.

(2) The department shall take all reasonable actions to ensure that the required data reported are complete and consistent among all coordinating agencies.

Substance abuse services; priority to service providers furnishing child care services.

Sec. 409. The funding in part 1 for substance abuse services shall be distributed in a manner that provides priority to service providers that furnish child care services to clients with children.

Substance abuse treatment as condition for public assistance.

Sec. 410. The department shall assure that substance abuse treatment is provided to applicants and recipients of public assistance through the department of human services who are required to obtain substance abuse treatment as a condition of eligibility for public assistance.

Jail diversion services.

Sec. 411. (1) The department shall ensure that each contract with a CMHSP or specialty prepaid health plan requires the CMHSP or specialty prepaid health plan to implement programs to encourage diversion of persons with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

(2) Each CMHSP or specialty prepaid health plan shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies, including county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written inter-agency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Contract with Salvation Army harbor light program.

Sec. 412. The department shall contract directly with the Salvation Army harbor light program to provide non-Medicaid substance abuse services at not less than the amount contracted for in fiscal year 2004-2005.

Medicaid substance abuse treatment services; waiver request; capitated payment.

Sec. 414. Medicaid substance abuse treatment services shall be managed by selected CMHSPs or specialty prepaid health plans pursuant to the centers for Medicare and Medicaid services' approval of Michigan's 1915(b) waiver request to implement a managed care plan for specialized substance abuse services. The selected CMHSPs or specialty prepaid health plans shall receive a capitated payment on a per eligible per month basis to assure provision of medically necessary substance abuse services to all beneficiaries who require those services. The selected CMHSPs or specialty prepaid health plans shall be responsible for the reimbursement of claims for specialized substance abuse services. The CMHSPs or specialty prepaid health plans that are not coordinating agencies may continue to contract with a coordinating agency. Any alternative arrangement must be based on client service needs and have prior approval from the department.

Medicaid managed mental health care program; monthly report on amounts paid to CMHSPs or specialty prepaid health plans.

Sec. 418. On or before the tenth of each month, the department shall report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to the CMHSPs or specialty prepaid health plans to support the Medicaid managed mental health care program in that month. The information shall include the total paid to each CMHSP or specialty prepaid health plan, per capita rate paid for each eligibility group for each CMHSP or specialty prepaid health plan, and number of cases in each eligibility group for each CMHSP or specialty prepaid health plan, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Substance abuse prevention, education, and treatment programs; establishment of work group composed of department, departments of human services, corrections, education, state police, and military and veterans affairs.

Sec. 423. (1) The department shall work cooperatively with the departments of human services, corrections, education, state police, and military and veterans affairs to coordinate and improve the delivery of substance abuse prevention, education, and treatment programs within existing appropriations.

(2) The department shall establish a work group composed of representatives of the department, the departments of human services, corrections, education, state police, and military and veterans affairs, coordinating agencies, CMHSPs, and any other persons considered appropriate to examine and review the source and expenditure of funds for substance abuse programs and services. The work group shall develop and recommend cost-effective measures for the expenditure of funds and delivery of substance abuse programs and services. The department shall submit the findings of the work group to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by May 31, 2007.

Claims processing and payment procedure.

Sec. 424. Each community mental health services program or specialty prepaid health plan that contracts with the department to provide services to the Medicaid population shall adhere to the following timely claims processing and payment procedure for claims submitted by health professionals and facilities:

(a) A "clean claim" as described in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days after receipt of the claim by the community

mental health services program or specialty prepaid health plan. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

(b) A community mental health services program or specialty prepaid health plan must state in writing to the health professional or facility any defect in the claim within 30 days after receipt of the claim.

(c) A health professional and a health facility have 30 days after receipt of a notice that a claim or a portion of a claim is defective within which to correct the defect. The community mental health services program or specialty prepaid health plan shall pay the claim within 30 days after the defect is corrected.

Data to be reported with department of corrections.

Sec. 425. By April 1, 2007, the department, in conjunction with the department of corrections, shall report the following data from fiscal year 2005-2006 on mental health and substance abuse services to the house of representatives and senate appropriations subcommittees on community health and corrections, the house and senate fiscal agencies, and the state budget office:

(a) The number of prisoners receiving substance abuse services, which shall include a description and breakdown of the type of substance abuse services provided to prisoners.

(b) The number of prisoners with a primary diagnosis of mental illness and the number of such prisoners receiving mental health services, which shall include a description and breakdown, minimally encompassing the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those prisoners.

(c) The number of prisoners with a primary diagnosis of mental illness and receiving substance abuse services, which shall include a description and breakdown, minimally encompassing the categories of inpatient, residential, and outpatient care, of the type of treatment provided to those prisoners.

(d) Data indicating if prisoners receiving mental health services for a primary diagnosis of mental illness were previously hospitalized in a state psychiatric hospital for persons with mental illness.

(e) Data indicating if prisoners with a primary diagnosis of mental illness and receiving substance abuse services were previously hospitalized in a state psychiatric hospital for persons with mental illness.

State matching portion of Medicaid capitation payments.

Sec. 428. (1) Each CMHSP and affiliation of CMHSPs shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for CMHSPs and affiliations of CMHSPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a CMHSP or an affiliation of CMHSPs.

(2) The distribution of the aforementioned increases in the capitation payment rates, if any, shall be based on a formula developed by a committee established by the department, including representatives from CMHSPs or affiliations of CMHSPs and department staff.

Matching funds; payments by counties; installments.

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1, 2006.

Medicaid adult benefits waiver program.

Sec. 442. (1) It is the intent of the legislature that the \$40,000,000.00 in funding transferred from the community mental health non-Medicaid services line to support the Medicaid adult benefits waiver program be used to provide state match for increases in federal funding for primary care and specialty services provided to Medicaid adult benefits waiver enrollees and for economic increases for the Medicaid specialty services and supports program.

(2) The department shall assure that persons enrolled in the Medicaid adult benefits waiver program shall receive mental health services under the priority population sections of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

(3) Capitation payments to CMHSPs or specialty prepaid health plans for persons who become enrolled in the Medicaid adult benefits waiver program shall be made using the same rate methodology as payments for the current Medicaid beneficiaries.

(4) If enrollment in the Medicaid adult benefits waiver program does not achieve expectations and the funding appropriated for the Medicaid adult benefits waiver program for specialty services is not expended, the general fund balance shall be transferred back to the community mental health non-Medicaid services line. The department shall report quarterly to the senate and house of representatives appropriations subcommittees on community health a summary of eligible expenditures for the Medicaid adult benefits waiver program by CMHSPs or specialty prepaid health plans.

Streamlining audit and reporting requirements; implementation of workgroup recommendations.

Sec. 450. (1) No later than October 1, 2006, the department shall implement the recommendations of the workgroup composed of CMHSPs or specialty prepaid health plans and departmental staff on streamlining the audit and reporting requirements for CMHSPs or specialty prepaid health plans and contractors performing services for CMHSPs or specialty prepaid health plans.

(2) No later than March 31, 2007, the department shall submit a report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on steps taken to implement the recommendations of the workgroup and the progress of the implementation of the recommendations of the workgroup.

Retroactive policies leading to negative financial impact on community; prohibition.

Sec. 452. Unless otherwise authorized by law, the department shall not implement retroactively any policy that would lead to a negative financial impact on community mental health services programs or prepaid inpatient health plans.

CMHSPs and prepaid inpatient health plans; consumer choice.

Sec. 456. (1) CMHSPs and prepaid inpatient health plans shall honor consumer choice to the fullest extent possible when providing services and support programs for individuals with mental illness, developmental disabilities, or substance abuse issues. Consumer choices shall include skill-building assistance, rehabilitative and habilitative services, supported and integrated employment services program settings, and other work preparatory services provided in the community or by accredited community-based rehabilitation organizations. CMHSPs and prepaid inpatient health plans shall not arbitrarily eliminate or restrict any choices from the array of services and program settings available to consumers without reasonable justification that those services are not in the consumer's best interest.

(2) CMHSPs and prepaid inpatient health plans shall take all necessary steps to ensure that individuals with mental illness, developmental disabilities, or substance abuse issues be placed in the least restrictive setting in the quickest amount of time possible if it is the individual's choice.

Reports.

Sec. 458. By April 15, 2007, the department shall provide each of the following to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director:

(a) An updated plan for implementing recommendations of the Michigan mental health commission made in the commission's report dated October 15, 2004.

(b) A report that evaluates the cost-benefit of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness, modeled after such programming in Oregon or other states.

(c) In conjunction with the state court administrator's office, a report that evaluates the cost-benefit of establishing a specialized mental health court program that diverts adults with serious mental illness alleged to have committed an offense deemed nonserious into treatment prior to the filing of any charges.

Counties subject to funding reduction.

Sec. 459. (1) Any CMHSP located in a county with a population of more than 1,500,000 that is not a community mental health authority pursuant to section 205 of the mental health code, 1974 PA 258, MCL 330.1205, by December 1, 2006 shall have its fiscal year 2006-2007 community mental health non-Medicaid services allotment reduced by \$3,500,000.00 each month for the remainder of the fiscal year until that CMHSP becomes an authority.

(2) The reduction in funding to any CMHSP specified in subsection (1) shall not result in any reduction of direct services.

(3) Any county specified in subsection (1) and subject to a funding reduction shall submit a plan to the department regarding these reductions by February 1, 2007. The department shall be responsible for reviewing and approving the plan to ensure that it meets the state legislative letter and intent. The department shall report by March 1, 2007 to the senate and house of representatives appropriations subcommittees on community health, the senate and house of representatives standing committees on health policy, the senate and house fiscal agencies, and the state budget office the department's disposition of the plan and shall provide evidence that the approved plan meets the legislative letter and intent.

(4) If any CMHSP subject to the funding reduction outlined in subsection (1) becomes an authority by September 30, 2007, any reduction in its community mental health non-Medicaid services allotment specified in subsection (1) shall be restored.

Classification, allocation, assignment, calculation, recording, and reporting of administrative costs; uniform definitions, standards, and instructions.

Sec. 460. (1) The uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by prepaid inpatient health plans (PIHPs), CMHSPs, and contracted organized provider systems that receive payment or reimbursement from funds appropriated under section 104 of part 1 that are established by the department shall go into effect on October 1, 2006 and shall be fully implemented by September 30, 2007.

(2) No later than October 30, 2006, the department shall provide a copy of the uniform definitions, standards, and instructions to the house of representatives and senate appropriations subcommittees on community health, the house of representatives and senate fiscal agencies, and the state budget director.

(3) The department shall provide the house of representatives and senate appropriations subcommittees on community health, the house of representatives and senate fiscal agencies, and the state budget director with 2 separate progress reports on the implementation required under subsection (1). The progress reports are due on April 1, 2007 and July 1, 2007.

Funding equity plan; establishment of workgroup.

Sec. 462. The department shall establish a workgroup comprised of representatives of the department, CMHSPs, legislature, and any other persons considered appropriate to develop a plan to achieve funding equity for all CMHSPs that receive funds appropriated under the community mental health non-Medicaid services line. The funding equity plan shall establish, at a minimum, a payment schedule or scale to ensure that each CMHSP is paid or reimbursed equally based on the recipient's diagnosis or individual plan of service sufficient to meet his or her needs, or both. The department shall submit the written plan to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by May 31, 2007.

Reducing and preventing substance abuse; establishment of standard program evaluation measures; assessment.

Sec. 463. The department shall establish standard program evaluation measures to assess the overall effectiveness of programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance abuse. The measures established by the department shall be modeled after the program outcome measures and best practice guidelines for the treatment of substance abuse as proposed by the federal substance abuse and mental health services administration.

Prevention, rehabilitation, care, and treatment of alcoholics; expenditures from liquor license fees.

Sec. 464. It is the intent of the legislature that revenue received by the department from liquor license fees be expended exclusively to fund programs for the prevention, rehabilitation, care, and treatment of alcoholics pursuant to sections 543(1) and 1115(2) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1543 and 436.2115.

Children with serious emotional disturbances and their families; funds for direct respite care services.

Sec. 465. Funds appropriated in part 1 for respite services shall be used for direct respite care services for children with serious emotional disturbances and their families. Not more than 1% of the funds allocated for respite services shall be expended by CMHSPs for administration and administrative purposes.

Community substance abuse prevention, education, and treatment programs; increase in funding.

Sec. 467. If funds become available, the department shall increase funding paid from the community substance abuse prevention, education, and treatment programs line item to the substance abuse coordinating agencies to the level of funding provided in fiscal year 2002-2003.

Incorporation of coordinating agencies into local community mental health authorities.

Sec. 468. To foster a more efficient administration of and to integrate care in publicly funded mental health and substance abuse services, the department shall recommend changes in its criteria for the incorporation of a city, county, or regional substance abuse coordinating agency into a local community mental health authority that will encourage those city, county, or regional coordinating agencies to incorporate as local community

mental health authorities. If necessary, the department may make accommodations or adjustments in formula distribution to address administrative costs related to the recommended changes to the criteria made in accordance with this section and to the incorporation of the additional coordinating agencies into local community mental health authorities provided that all of the following are satisfied:

(a) The department provides funding for the administrative costs incurred by coordinating agencies incorporating into community mental health authorities. The department shall not provide more than \$75,000.00 to any coordinating agency for administrative costs.

(b) The accommodations or adjustments do not favor coordinating agencies who voluntarily elect to integrate with local community mental health authorities.

(c) The accommodations or adjustments do not negatively affect other coordinating agencies.

Incorporation of coordinating agencies into community mental health authorities; written expectations; report.

Sec. 470. (1) For those substance abuse coordinating agencies that have voluntarily incorporated into community mental health authorities and accepted funding from the department for administrative costs incurred pursuant to section 468 of this act, the department shall establish written expectations for those community mental health services programs, prepaid inpatient health plans, and substance abuse coordinating agencies and counties with respect to the integration of mental health and substance abuse services. At a minimum, the written expectations shall provide for the integration of those services as follows:

(a) Coordination and consolidation of administrative functions and redirection of efficiencies into service enhancements.

(b) Consolidation of points of 24-hour access for mental health and substance abuse services in every community.

(c) Alignment of coordinating agencies and prepaid inpatient health plans boundaries to maximize opportunities for collaboration and integration of administrative functions and clinical activities.

(2) By May 1, 2007, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on the impact and effectiveness of this section and the status of the integration of mental health and substance abuse services.

Coordinating agencies and Salvation Army harbor light program; administrative costs.

Sec. 471. From the funds appropriated in part 1 for coordinating agencies and the Salvation Army harbor light program, administrative costs for these agencies as a percentage of their total expenditures shall not exceed their percentage in fiscal year 2004-2005 or 9%, whichever is less.

Guardianship and alternatives to guardianship.

Sec. 474. The department shall ensure that each contract with a CMHSP or prepaid inpatient health plan requires the CMHSP or prepaid inpatient health plan to provide each recipient and his or her family with information regarding the different types of guardianship and the alternatives to guardianship. It is the intent of the legislature that a CMHSP or prepaid inpatient health plan shall not, in any manner, attempt to reduce or restrict the ability of a recipient or his or her family from seeking to obtain any form of legal guardianship without just cause.

Jewish federation of metropolitan Detroit; allocation.

Sec. 475. From the funds appropriated in part 1 for multicultural services, \$990,000.00 shall be allocated to the Jewish federation of metropolitan Detroit.

STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**Third-party payments for services.**

Sec. 601. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third-party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

(2) The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. Revenues collected through project efforts are appropriated to the department for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Patient living and treatment environments; gifts and bequests.

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$1,000,000.00 remaining on September 30, 2007 from the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

Forensic mental health services to department of corrections.

Sec. 603. The funds appropriated in part 1 for forensic mental health services provided to the department of corrections are in accordance with the interdepartmental plan developed in cooperation with the department of corrections. The department is authorized to receive and expend funds from the department of corrections in addition to the appropriations in part 1 to fulfill the obligations outlined in the interdepartmental agreements.

CMHSPs or specialty prepaid health plans; reports.

Sec. 604. (1) The CMHSPs or specialty prepaid health plans shall provide annual reports to the department on the following information:

- (a) The number of days of care purchased from state hospitals and centers.
- (b) The number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers.
- (c) The number and type of alternative placements to state hospitals and centers other than private hospitals.
- (d) Waiting lists for placements in state hospitals and centers.

(2) The department shall annually report the information in subsection (1) to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Closures or consolidations of state hospitals, centers, or agencies; requirements.

Sec. 605. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or specialty prepaid health plans have programs and services in place for those persons currently in those facilities and a plan for service provision for those persons who would have been admitted to those facilities.

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

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

(4) Upon the closure of state-run operations and after transitional costs have been paid, the remaining balances of funds appropriated for that operation shall be transferred to CMHSPs or specialty prepaid health plans responsible for providing services for persons previously served by the operations.

Placement in state hospitals and centers; revenue collected for patient reimbursement.

Sec. 606. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid and local county CMHSP payers, to cover the cost of placement in state hospitals and centers. The department is authorized to adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The revenue carried forward shall be used as a first source of funds in the subsequent year.

PUBLIC HEALTH ADMINISTRATION

Annual public health consumption advisory for sportfish; posting advisory on Internet; availability of information.

Sec. 650. The department shall communicate the annual public health consumption advisory for sportfish. The department shall, at a minimum, post the advisory on the Internet and make the information in the advisory available to the clients of the women, infants, and children special supplemental nutrition program.

"Healthy Michigan 2010" report; goals and objectives.

Sec. 651. By April 30, 2007, the department shall submit a report to the house and senate fiscal agencies and the state budget director on the activities and efforts of the surgeon general to improve the health status of the citizens of this state with regard to the goals and objectives stated in the "Healthy Michigan 2010" report, and the measurable progress made toward those goals and objectives.