



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill is H.B. 4526

\$13,833,859,600

FY 2011-12 Senate-Passed Gross Appropriation

House Changes to Senate-Passed:

1. Mental Health and Substance Abuse Programs. The House eliminated funding for Community Mental Health (CMH) Special Populations (\$6.9 million Gross and GF/GP) and funding for the Salvation Army and Odyssey House substance abuse contract (\$4.5 million Gross and \$0.7 million GF/GP). The House concurred with the Governor's 3.0% cut to CMH non-Medicaid, an increase of \$5.1 million Gross and GF/GP over the Senate.	(6,371,800)
2. Adult Foster Care (AFC) and Homes for the Aged Employee Background Checks. The House concurred with the Governor and transferred costs of employee background checks for AFC homes and Homes for the Aged to the providers. The Senate rejected this proposal.	(2,720,500)
3. Savings Assumptions. The Senate had assumed \$3.5 million Gross and GF/GP savings from the impact of Federally mandated changes in health insurance on the Children's Special Health Care Services program. The House did not recognize additional savings. The House assumed greater savings than did the Senate from auto insurance third party liability and estate recovery legislation.	333,100
4. Senior Programs. The House cut Senior Nutrition Services by 18% (\$1,581,700 Gross and GF/GP below the Senate), cut Senior Community Services by 15% (\$809,500 Gross and GF/GP), and eliminated Senior Volunteer Services (\$3,795,600 Gross and GF/GP).	(6,186,800)
5. Healthy Michigan Fund (HMF). The Senate had eliminated all HMF programming. The House retained funding for Diabetes.	805,200
6. Health Facility Fees. The Senate had concurred with the Governor in increasing health facility fees. The House rejected this increase and small expansion in programming, reducing Gross costs but increasing GF/GP costs by \$4.5 million.	(739,200)
7. Local Public Health. The Senate had concurred with the Governor and cut local public health funding by 5.0%. The House cut funding by 10.0%.	(1,696,600)
8. Administrative Savings. The Senate had included \$6.0 million Gross and GF/GP in departmentwide administrative savings. The House did not include this proposal.	6,000,000
9. Elimination of Earmarked Funding. The Senate had concurred with the Governor's 15.0% cuts to several earmarked programs, including various clinics. The House eliminated all funding for these programs, for a savings of \$0.6 million GF/GP.	(1,046,000)
10. Graduate Medical Education (GME). The Senate eliminated all but \$100 in GME funding. The House concurred with the Governor's proposed 40.0% reduction in GME, for a net increase of \$34.2 million GF/GP over the Senate.	100,896,400
11. Other Changes. Other minor House changes resulted in a small increase in funding.	476,300
Total Changes	\$88,797,500

FY 2011-12 House-Passed Gross Appropriation \$13,922,657,100

Changes from FY 2011-12 Senate-Passed:

1. **Implementation of Federal Health Reform.** House did not include Senate language barring the expenditure of funds on implementation of the Federal health reform legislation (Senate Sec. 295).
2. **CMH Contract and Authorization Language.** The House removed long-standing language defining the CMH system and requiring CMHs to provide a full array of services to clients. The House also removed long-standing language that would require the Department to report to the Legislature when any time a new or amended CMH contract would affect rates or State expenditures. (Senate Sec. 401 and 402).
3. **Substance Abuse Coordinating Agencies.** The House removed long-standing language that would prevent the State from merging substance abuse coordinating agencies into the mental health system. (Senate Sec. 407, 468, and 470).
4. **CMH non-Medicaid Formula.** The Senate included language directing that cuts to CMH non-Medicaid reflect further implementation of the funding formula first used in FY 2009-10. The House retained current year language directing that non-administrative cuts be made on an across the board basis. (Senate and House Sec. 462).
5. **Deemed Status for CMHs, Pre-Paid Inpatient Health Plans (PIHPs), and Medicaid Health Maintenance Organizations (HMOs).** The House included two new sections of boilerplate directing that CMHs, PIHPs, and HMOs that have been accredited by a national accreditation process shall be considered to be in compliance with state program review or audit requirements addressed by the national accrediting agency. (House Sec. 494 and 1820).
6. **Medical Marijuana Privatization.** The House retained current year language to establish a bid process, to the extent allowed by law, to privatize the management of the medical marijuana program. The Senate directed that the program be privatized by January 1, 2012. (Senate and House Sec. 727).
7. **Reporting of Data on Costs of Out of Wedlock Sexual Activity.** The House did not include Senate language that would require the Department to collect data for a report on public expenditures for family planning and sexual health related to out of wedlock sexual activity. (Senate Sec. 1103).
8. **Medicaid Pharmacy Dispensing Fee.** The House did not include long-standing language setting the Medicaid pharmacy dispensing fee and copayments for pharmacy services. (Senate Sec. 1620).
9. **Medicaid HMO Language.** The House did not include long-standing language governing the Medicaid managed care program. (Senate Sec. 1650 through 1658).
10. **Medicaid Disproportionate Share Hospital (DSH) Pools.** The Senate retained the \$45.0 million "large" DSH pool in its current form and included a \$100 placeholder for the "small" DSH pool. The House directed that 3/4ths of the \$45.0 million pool be spent according to the "large" DSH pool formula and that 1/4th of the \$45.0 million pool be spent based on the "small" DSH pool formula. (Senate and House Sec. 1699).

Date Completed: 5-9-11

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