



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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[House Bill is H.B. 5365](#)

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<b>FY 2012-13 Senate-Passed Gross Appropriation.....</b>	<b>\$15,035,513,000</b>
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**House Changes to Senate-Passed:**

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|---|--------------|
| 1. <b>Healthy Michigan Fund.</b> The House did not include the \$3.0 million in one-time funding retained by the Senate and added \$1.0 million for a Children's Physical Health program.   | (2,000,200)  |
| 2. <b>Preferred Drug List.</b> The House assumed savings from implementation of legislation that would put behavioral health drugs on the Medicaid preferred drug list. The Senate did not assume passage of such legislation. The assumed House GF/GP savings was \$3.6 million.   | (10,789,600) |
| 3. <b>Senate Placeholders.</b> The House did not include the Senate's \$100 placeholders for new programs, including the Michigan Essential Health Provider program, island clinics, lead abatement, new Governor Aging initiatives, rural and sole community hospital funding, increased Medicaid payment rates for obstetrics/gynecology and ambulance, and full restoration of adult vision and chiropractic.  | (1,700)      |
| 4. <b>House Changes to Savings Estimates.</b> The House assumed greater savings from several Governor and Senate savings initiatives, including credit balance resolution, third party liability data match, the dual eligible waiver, and other initiatives. The increase in GF/GP savings compared to the Senate was \$9.9 million.   | (29,200,800) |
| 5. <b>Computerization Initiatives.</b> The House rejected Governor and Senate initiatives to provide full funding for the new Medicaid computer system and to implement one-time Federally required diagnostic code updates. GF/GP savings to the Senate were \$9.9 million.  | (53,400,000) |
| 6. <b>Staffing Adjustments.</b> The House included half the staff for the dual eligible waiver and the expansion of Medicaid Inspector General staff proposed by the Governor and rejected the staff added to enroll urgent care centers in Medicaid.   | (466,200)    |
| 7. <b>House Programmatic Increases.</b> The House restored current year one-time funding for Community Mental Health (CMH) Special Populations and Graduate Medical Education. The House included funding above Senate placeholders for the Home and Community Based Waiver, Healthy Kids Dental, and Medicaid coverage for autism services. The House included new funding for prenatal services and a new Disproportionate Share Hospital (DSH) pool. Total GF/GP costs were a \$27.9 million increase to the Senate. | 84,008,800   |
| 8. <b>House Programmatic Reductions.</b> The House did not fund several initiatives funded by the Governor and the Senate, including the Bronson DSH restoration, the cochlear implant policy change, the wheelchair cost increase, and the increase in mileage reimbursement for Medicaid non-emergency transportation. Net GF/GP savings to the Senate were \$2.0 million.  | (4,866,200)  |

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<b>Total Changes .....</b>	<b>(\$16,715,900)</b>
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<b>FY 2012-13 House-Passed Gross Appropriation.....</b>	<b>\$15,018,797,100</b>
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**Changes from FY 2012-13 Senate-Passed:**

1. **Smoking Ban Exception.** House did not include this Senate language that would bar the Department from using money to enforce the public smoking ban for certain charitable organizations. (Sec. 224)
2. **CMH Contractual Requirements.** House did not include Senate language on CMH contracts. (Secs. 401 and 402)
3. **CMH Funding Formula.** House did not include Senate language directing that the new CMH funding formula continue to be implemented, with a 2% cap on increases or reductions to any individual CMH. (Sec. 462)
4. **Evaluation of Substance Use Disorder Programs.** Senate did not include this House language directing that a full evaluation of these programs be done. (Sec. 498)
5. **Michigan Essential Health Provider Program.** House did not include Senate language directing that any additional funding for the program be used to reduce the Local and Private share of loan repayment funding to 25% for obstetricians and gynecologists working in underserved areas. (Sec. 709(2))
6. **In-State Medical Residency Incentives.** Senate did not include House language directing Department to evaluate options for incentivizing in-state medical students to meet their primary care residency requirements in Michigan and to stay in the state upon completion of residency. (Sec. 715)
7. **Reporting on Maternal and Pregnancy Services.** House retained current year language and did not reflect Senate language that would require reporting of actual or estimated expenditures on family planning, sexually transmitted diseases, pregnancies, and births by marital status. (Sec. 1103)
8. **Priority in Family, Maternal, and Children's Health Services Contractors.** Senate did not include House language that would give priority for contracts to organizations that do not provide abortion services. (Sec. 1138)
9. **Pharmacy Dispensing Fee.** House did not include Senate language setting the Medicaid pharmacy dispensing fee. (Sec. 1620)
10. **Medicaid Emergency Room and Physician Services Copayments.** House changed current year and Senate language to eliminate the copayment for physician office visits and to double the emergency room visit copayment from \$3 to \$6. (Sec. 1631)
11. **Medicaid Health Maintenance Organization (HMO) Capitation Withhold.** House did not retain current year and Senate language setting a cap of 0.19% on the amount of Medicaid HMO capitation payments that may be withheld to fund quality incentive payments. (Sec. 1815)
12. **GME Reimbursement Criteria.** House did not include new Senate language that would require the Department to revise its GME reimbursement criteria to reward health systems that recruit residents who stay in the State and to implement the new reimbursement criteria by April 1, 2013. (Sec. 1846)
13. **Autism Coverage.** House limited coverage for newly instituted Medicaid autism services to ages 2 to 5. (Sec. 1858)
14. **Privatization of Medicaid Eligibility.** House included new language directing cooperation with the Department of Human Services on a pilot project in three counties to determine whether privatizing Medicaid eligibility is feasible. (Sec. 1859)

Date Completed: 4-26-12

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