

**FY 2014-15: DEPARTMENT OF COMMUNITY HEALTH  
Summary: As Reported by the House Subcommittee  
House Bill 5296 (H-1) Draft 1**



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	FY 2013-14 YTD as of 2/5/14	FY 2014-15 Executive	FY 2014-15 House	FY 2014-15 Senate	FY 2014-15 Enacted	Difference: House From FY 2013-14 YTD	
						Amount	%
<b>IDG/IDT</b>	\$10,056,100	\$9,425,900	\$9,425,900			(\$630,200)	(6.3)
<b>Federal</b>	11,620,170,500	11,941,802,500	12,026,645,400			406,474,900	3.5
<b>Local</b>	251,820,200	216,656,400	216,656,400			(35,163,800)	(14.0)
<b>Private</b>	126,342,400	127,056,600	127,056,600			714,200	0.6
<b>Restricted</b>	2,178,580,800	2,140,657,600	2,158,623,700			(19,957,100)	(0.9)
<b>GF/GP</b>	2,747,583,600	2,938,968,800	2,925,968,800			178,385,200	6.5
<b>Gross</b>	<b>\$16,934,553,600</b>	<b>\$17,374,567,800</b>	<b>\$17,464,376,800</b>			<b>\$529,823,200</b>	<b>3.1</b>
<b>FTEs</b>	3,591.6	3,654.1	3,654.1			62.5	1.7

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2015-16 figures are projected budget amounts only and would not be legally binding appropriations. (4) FY 2013-14 Year-to-date figures include appropriation adjustments in 2013, PA 102, and 2013 PA 107 for Medicaid Reform/Healthy Michigan Plan effective March 14, 2014, but based on the waiver, implemented on April 1, 2014.

**Overview**

The Department of Community Health budget provides funding for a wide range of programs and services which includes behavioral health (mental health and substance use disorder), public health, and medical services programs, including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health policy.

**Major Budget Changes From FY 2013-14 YTD Appropriations**

**1. Medicaid Cost Increases**

The Executive's Medicaid program cost adjustments include a FY 2014-15 increase of \$141.0 million Gross (\$123.0 million GF/GP) for caseload, utilization, and inflation adjustments in Medical Services, Behavioral Health Services, Children's Special Health Care Services, and the Federal Medicare Pharmaceutical program. It includes a FY 2014-15 FMAP adjustment of \$249,000 Gross (\$79.7 million GF/GP; reduction of \$83.5 million Federal). The House concurs.

	FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 House Change
<b>Gross</b>	<b>\$12,525,311,200</b>	<b>\$140,956,900</b>
IDG	6,194,900	143,700
Federal	8,502,877,500	13,866,800
Local	45,970,200	501,600
Restricted	1,892,460,100	3,484,800
Private	2,100,000	0
Merit Awd	81,766,000	0
GF/GP	\$1,993,942,500	\$122,960,000

**2. Healthy Michigan Plan**

The Executive recommendation includes an increase of \$625.3 million Gross (reduction of \$79.6 million GF/GP) for a full-year of Healthy Michigan Plan implementation. The adjustments reflect changes in Behavioral Health Services, Medical Services Administration, and Medical Services. In Medical Services, the Plan First Family Planning Waiver and Medicaid Adult Benefits Waiver lines are zeroed out and removed. The Medicaid Adult Benefits Waiver line is also zeroed out and removed in Behavioral Health Services. Includes an increase of 36.0 FTEs for administration of the expanded program. The House concurs.

FTE	0.0	36.0
<b>Gross</b>	<b>\$1,549,115,700</b>	<b>\$625,348,100</b>
Federal	1,704,523,500	697,883,600
Restricted	13,145,000	7,058,700
GF/GP	(\$168,552,800)	(\$79,594,200)

**3. Family Support Subsidy Program**

The Executive proposes a \$1.2 million reduction in TANF revenue supporting the Family Support Subsidy Program anticipating a projected decrease of (0.3%) over the FY 2013-14 appropriated level and an average caseload 6,809. The program provides \$222.11 monthly payment to income-eligible families with a child under 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic. The House concurs.

<b>Gross</b>	<b>\$19,364,900</b>	<b>(\$1,215,000)</b>
TANF	19,364,900	(1,215,000)
GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>		<b>FY 2013-14 Year-to-Date (as of 2/5/14)</b>	<b>FY 2014-15 House Change</b>
<b>4. Mental Health Jail Diversion Council</b>	FTE	1.0	0.0
The <u>Executive</u> adds \$3.4 million GF/GP to support recommendations of the Mental Health Diversion Council. In accordance with Executive Order 2013-7, the Council was charged with the responsibility of implementing an action plan that improves upon efforts to divert individuals with mental illness and developmental disabilities from the criminal justice system to appropriate treatment. Additional funding of \$2.7 million GF/GP is included in the Department of Corrections and Judiciary budgets. The <u>House</u> concurs. Section 495 is related boilerplate language.	<b>Gross</b>	<b>\$1,630,000</b>	<b>\$3,350,000</b>
	GF/GP	\$1,630,000	\$3,350,000
<b>5. Mental Health and Wellness Commission</b>	<b>Gross</b>	<b>N/A</b>	<b>\$37,825,000</b>
The <u>Executive</u> adds new ongoing funds of \$10.6 million GF/GP and one-time funds of \$5.0 million GF/GP for implementation of recommendations included in the State of Michigan Mental Health and Wellness Commission 2013 Report. In accordance with Executive Order 2013-6, the Commission was required to make recommendations addressing gaps in the delivery of mental health services and propose new models to strengthen the delivery system in the state. The <u>House</u> concurs and, as a technical adjustment, adds an additional \$22.2 million in federal funds.	Federal	N/A	22,205,000
	GF/GP	N/A	\$15,620,000
<b>6. Actuarially Sound Capitation Payment Rates Adjustment</b>	<b>Gross</b>	<b>\$6,945,303,500</b>	<b>\$121,901,200</b>
The <u>Executive</u> proposes a capitation payment rate increase of 2.5% for Health Plans and 1.5% for Prepaid Inpatient Health Plans (PIHPs) to comply with federal requirements that rates for these managed care entities are actuarially sound in FY 2014-15. This adjustment results in an additional \$121.9 million Gross (\$42.0 million GF/GP) for the Medicaid Mental Health Services, Medicaid Substance Use Disorder Services, and Health Plan Services line items. The <u>House</u> concurs.	IDG	2,925,900	0
	Federal	4,732,604,900	79,894,100
	Restricted	1,318,458,800	0
	Local	39,086,400	0
	GF/GP	\$852,227,500	\$42,007,100
<b>7. Community Mental Health (CMH) Non-Medicaid Services</b>	<b>Gross</b>	<b>\$130,757,600</b>	<b>\$16,036,000</b>
The <u>Executive</u> increases the funding for the CMH Non-Medicaid Services line item by \$8.0 million GF/GP to reflect a revision in the savings that will be achieved in FY 2013-14 due to implementation of the Healthy Michigan Plan on April 1, 2014 and annualizes those savings in FY 2014-15. The <u>House</u> concurs.	GF/GP	\$130,757,600	\$16,036,000
<b>8. Healthy Michigan Plan – Behavioral Health</b>	<b>Gross</b>	<b>\$288,646,900</b>	<b>\$38,813,700</b>
As technical adjustments to the <u>Executive</u> , the <u>House</u> does not reduce funding for the Healthy Michigan Plan – Behavioral Health line item by \$16.0 million (all federal Medicaid revenue), in conjunction with, recognizing an annualized FY2013-14 revised savings estimate of \$16.0 million for the CMH Non-Medicaid Services line item. In addition, the <u>House</u> increases the federal Medicaid revenue supporting this line item by \$38.8 million to reflect estimated expenditures consistent with an actuarial analysis.	Federal	288,646,900	38,813,700
	GF/GP	\$0	\$0
<b>9. Diabetes Prevention</b>	<b>Gross</b>	<b>\$650,000</b>	<b>\$150,000</b>
The <u>House</u> provides an increase of \$150,000 GF/GP for diabetes prevention programs. Amounts shown reflect Health and Wellness Initiatives line item funding for diabetes prevention.	GF/GP	\$650,000	\$150,000
<b>10. Immunization Registry</b>	<b>Gross</b>	<b>\$2,098,800</b>	<b>\$0</b>
The <u>Executive</u> includes an \$89,300 GF/GP increase in funding for the Michigan Care Improvement immunization Registry (MCIR). The increase is reflected in the FY 2013-14 YTD amount shown, as appropriated in supplemental Act 102 of 2013. This restores the ongoing budget for MCIR to the FY 2012-13 funding level. The <u>House</u> concurs.	GF/GP	\$2,098,800	\$0
<b>11. Emergency Medical Services (EMS) Program</b>	FTE	23.0	0.0
The <u>Executive</u> provides \$1.0 million GF/GP to replace unrealized state restricted fee revenue from EMS licensure fee increases budgeted in FY 2013-14 that were not subsequently enacted in statute. The <u>House</u> concurs.	<b>Gross</b>	<b>\$6,187,400</b>	<b>\$0</b>
	Federal	908,900	0
	Restricted	4,887,800	(1,006,100)
	GF/GP	\$390,700	\$1,006,100

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>		<b>FY 2013-14 Year-to-Date (as of 2/5/14)</b>	<b>FY 2014-15 House Change</b>
<b>12. Island Health Clinics</b>	<b>Gross</b>	<b>\$325,000</b>	<b>\$0</b>
The <u>Executive</u> transfers \$325,000 GF/GP for primary care services at island health clinics from a one-time appropriation line item into the existing Primary Care Services line item to establish the funding as ongoing. The <u>House</u> concurs.	GF/GP	\$325,000	\$0
<b>13. Essential Local Public Health Services</b>	<b>Gross</b>	<b>\$39,386,100</b>	<b>\$1,500,000</b>
The <u>House</u> provides a \$1.5 million GF/GP funding increase for essential local public health services which are provided pursuant to the Public Health Code, including immunization, infectious disease control, sexually transmitted disease control, hearing and vision screening for children, food protection, public water and private groundwater supplies, and on-site sewage management.	Local	5,150,000	0
	GF/GP	\$34,236,100	\$1,500,000
<b>14. Alzheimer's Disease In-Home Care Pilot</b>	<b>Gross</b>	<b>N/A</b>	<b>\$150,000</b>
The <u>House</u> provides \$150,000 GF/GP for a pilot program in 3 counties of in-home support and care services for persons with Alzheimer's Disease, to extend the period that a person can remain and home and delay the need for residential long term care services, and evaluation.	GF/GP	N/A	\$150,000
<b>15. Maternal, Infant and Child Home Visiting Care Programs</b>	FTE	0.0	9.0
The <u>Executive</u> increases FTEs and funding to expand home visiting programs for at-risk families including: a) 7.0 FTEs and \$6.0 million of increased funds from federal maternal, infant, and early childhood home visiting program grants, and b) 2.0 FTEs and \$2.5 million GF/GP to expand home visit programs in rural northern Michigan and the Upper Peninsula for families with children, during pregnancy to age 5. The <u>House</u> concurs, but uses federal TANF funds rather than GF/GP for the \$2.5 million expansion.	<b>Gross</b>	<b>\$8,601,400</b>	<b>\$8,526,300</b>
	Federal	6,601,400	6,026,300
	TANF	0	2,500,000
	GF/GP	\$2,000,000	\$0
<b>16. University Autism Centers and Services</b>	<b>Gross</b>	<b>\$2,000,000</b>	<b>(\$500,000)</b>
The <u>Executive</u> increases one-time funding for university autism centers and services by \$1.0 million GF/GP and revises grants from 4 universities to 3 universities. Ongoing funding of \$500,000 to Eastern Michigan University is retained and moved from maternal and child health special projects to behavioral health administration in the budget. The <u>House</u> reduces one-time funding by \$500,000, revises grants to 3 universities, updates related boilerplate Sec. 1902; and concurs with the move of the ongoing funds.	GF/GP	\$2,000,000	(\$500,000)
<b>17. Child and Adolescent Health Care Pilot</b>	<b>Gross</b>	<b>N/A</b>	<b>\$2,000,000</b>
The <u>Executive</u> provides new one-time funds of \$2.0 million GF/GP for a child and adolescent health services pilot, for nursing and behavioral health care in schools provided by mobile health professional teams. The <u>House</u> concurs, but uses federal TANF funds rather than GF/GP.	TANF	N/A	2,000,000
	GF/GP	N/A	\$0
<b>18. Crime Victim Services</b>	FTE	13.0	0.0
The <u>Executive</u> increases funding by \$1.0 million for grants to county prosecutors for training and services for crime victims, with state restricted Crime Victim's Rights Fund monies. Also recognizes federal Victims of Crime Act (VOCA) grant reductions of \$4.1 million for services to crime victims, and \$700,000 for victim compensation. The <u>House</u> concurs.	<b>Gross</b>	<b>\$37,775,200</b>	<b>(\$3,806,100)</b>
	Federal	23,494,800	(4,806,100)
	Restricted	14,280,400	1,000,000
	GF/GP	\$0	\$0
<b>19. Senior Services Expansion and Fund Shift</b>	FTE	40.0	0.0
The <u>Executive</u> provides an additional \$6.0 million GF/GP to increase services for Michigan seniors and eliminate waiting lists, including \$1.0 million to address elder abuse prevention supporting legislation enacted in 2012, \$3.2 million for in-home services, and \$1.8 million for home-delivered meals. Also provides \$400,000 GF/GP for respite care program to replace a \$400,000 shortfall of state restricted funds from the Senior Care Respite Fund. Net reduction of \$661,500 for federal grants is also shown. The <u>House</u> concurs.	<b>Gross</b>	<b>\$94,081,600</b>	<b>\$5,338,500</b>
	Federal	58,154,600	(661,500)
	Private	677,500	0
	Merit Awd	4,068,700	0
	Other Restr	1,800,000	(400,000)
	GF/GP	\$29,380,800	\$6,400,000
<b>20. Health Insurance Claims Assessment (HICA)</b>	<b>Gross</b>	<b>\$400,000,000</b>	<b>\$0</b>
The <u>Executive</u> recommendation maintains \$400.0 million in state restricted HICA revenue, and assumes that the \$110.0 shortfall will be resolved through an unspecified legislative action. The <u>House</u> concurs.	Restricted	400,000,000	0
	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>		<b>FY 2013-14 Year-to-Date (as of 2/5/14)</b>	<b>FY 2014-15 House Change</b>
<b>21. Dual Eligibles Savings Restoration</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
The <u>Executive</u> recommendation restores savings for dual eligible integrated care in light of revised savings estimates. It reverses a reduction of \$5.3 million Gross (\$1.8 million GF/GP) included last year. The <u>House</u> proposal does not concur, and zero-funds this item.	Restricted	N/A	0
	GF/GP	N/A	\$0
<b>22. Eliminate Special Rural Hospital Payment</b>	<b>Gross</b>	<b>\$35,629,500</b>	<b>\$0</b>
The <u>Executive</u> recommendation includes a reduction of \$35.6 million Gross (\$12.0 million GF/GP) for full elimination of rural hospital payments. The <u>House</u> proposal replaces GF/GP with hospital QAAP revenue to allow the payments to continue in the same gross amount. The GF/GP reduction is less than the state restricted revenue increase to account for a change in the regular FMAP rate. The increased QAAP assessment applies to most hospitals, including those receiving rural hospital payments, so net payments to those facilities will be lower than the full gross amount. Additionally, the House proposal includes a shift of \$3.1 million from GF/GP to state restricted revenue for the state retainer share of the assessment (not included in the figures to the right).	Federal	23,629,500	(277,900)
	Restricted	0	12,277,900
	GF/GP	\$12,000,000	(\$12,000,000)
<b>23. Healthy Kids Dental Expansion</b>	<b>Gross</b>	<b>N/A</b>	<b>\$15,670,300</b>
The <u>Executive</u> recommendation continues the phase-in of the Healthy Kids Dental program with increased funding of \$15.6 million Gross (\$5.4 million GF/GP). The recommendation expands the program into Kalamazoo and Macomb counties, which will cover an estimated 100,000 children. The <u>House</u> concurs. If this recommendation is funded, remaining counties for future program expansion include Kent, Oakland, and Wayne.	Federal	N/A	10,270,300
	GF/GP	N/A	\$5,400,000
<b>24. Primary Care Rate Increase – Partial Continuation</b>	<b>Gross</b>	<b>\$156,333,300</b>	<b>(\$94,220,100)</b>
The <u>Executive</u> recommendation partially continues a rate increase for primary care providers that was initially introduced in 2013. The rate increase was included temporarily with 100% federal funds from the Affordable Care Act. Full federal payment of the increased rate continues through calendar year 2014, after which states have the option to continue the higher rate at the regular FMAP. The Executive recommendation continues the increased rate with \$75.4 million Gross (\$26.0 million GF/GP) on an ongoing basis. The <u>House</u> proposes continuing the increase with \$62.1 million Gross (\$21.4 million GF/GP).	Federal	156,333,300	(115,624,300)
	GF/GP	\$0	\$21,404,200
<b>25. MIChoice – Waiting List Elimination</b>	<b>Gross</b>	<b>\$299,895,900</b>	<b>\$26,177,900</b>
The <u>Executive</u> recommends an increase of \$26.2 million Gross (\$9.0 million GF/GP) to expand the home- and community-based services (MIChoice) program. The recommendation intends to eliminate the program waiting list and serve an additional 1,250 individuals. The <u>House</u> concurs.	Federal	192,309,500	17,157,000
	Local	265,000	0
	GF/GP	\$107,321,400	\$9,020,900
<b>26. PACE Expansion</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
The <u>Executive</u> recommendation includes a net zero transfer of \$7.7 million from the Long Term Care Services line to the Program for All-Inclusive Care for the Elderly (PACE) line. The <u>House</u> concurs with the Executive recommendation. The transfer will fund program expansion into Genesee, Ingham, and Saginaw counties. In Medical Services Administration, the <u>Executive</u> also recommends the addition of 1.0 FTE and associated funding to assist in administering the expanded program. The <u>House</u> proposal concurs with the increase.	Federal	N/A	0
	GF/GP	N/A	\$0
<b>27. University Disproportionate Share Hospital Backfill</b>	<b>Gross</b>	<b>\$15,309,000</b>	<b>(\$5,610,800)</b>
The <u>Executive</u> recommends increasing GF/GP by \$5.6 million, ongoing, for the Wayne State Psychiatric Residency program. The increase partially offsets a reduction of \$8.5 million Gross (\$0 GF/GP) in disproportionate share hospital (DSH) payments that are no longer available. The <u>Executive</u> also recommends increasing GF/GP by \$4.1 million, one-time, for the University of Detroit Dental program. The increase partially offsets a reduction of \$6.9 million Gross (\$0 GF/GP) in DSH payments that are no longer available. The <u>House</u> concurs with both.	Federal	10,152,900	(10,152,900)
	Restricted	5,156,100	(5,156,100)
	GF/GP	\$0	\$9,698,200

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>		<b>FY 2013-14 Year-to-Date (as of 2/5/14)</b>	<b>FY 2014-15 House Change</b>
<b>28. Merit Award Fund Shift – Distressed Communities Assistance</b>	<b>Gross</b>	<b>\$81,766,000</b>	<b>\$0</b>
The <u>Executive</u> recommendation includes a \$17.5 million fund shift to GF/GP to replace a like amount of Merit Award Trust Fund revenue. The recommendation proposes reserving the Merit Award Trust Fund revenue for distressed communities purposes. To avoid a shortfall, this transfer replaces Merit Award funds with GF/GP. The <u>House</u> concurs.	Merit Awd	81,766,000	(17,500,000)
	GF/GP	\$0	\$17,500,000
<b>29. Graduate Medical Education (GME)</b>	<b>Gross</b>	<b>\$4,314,200</b>	<b>(\$1,412,300)</b>
The <u>Executive</u> recommends removing \$4.3 million Gross (\$1.4 GF/GP) in one-time GME funding. The <u>House</u> proposal continues one-time funding for GME at \$2,901,900 Gross (\$1,000,000 GF/GP), contingent on meeting the conditions in boilerplate section 1903. No adjustments are proposed to ongoing GME funds in the Medical Services unit. (Related boilerplate sections 1740, 1846, and 1870 are proposed for removal).	Federal	2,864,200	(962,300)
	GF/GP	\$1,450,000	(\$450,000)
<b>30. School Based Services Backfill</b>	<b>Gross</b>	<b>\$4,314,200</b>	<b>(\$19,400,000)</b>
The <u>Executive</u> recommends a gross reduction of \$19.4 million and a shift of \$12.9 million from federal to GF/GP to recognize reduced savings from school based service program claims. The <u>House</u> concurs. The totals reflect a \$32.3 million reduction in federal revenues resulting from fewer claims reported by schools. The value of those claims are used to draw down federal resources at the regular FMAP rate. The State retains a portion of federal revenues received, which it then cycles back into the Medicaid program, thereby creating a GF/GP savings. The reduction in claims from schools creates the need to replace federal revenues with GF/GP.	Federal	2,864,200	(32,333,300)
	GF/GP	\$1,450,000	\$12,933,300
<b>31. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$8,789,500</b>
The <u>Executive</u> proposes a net increase of \$8.8 million Gross (\$3.2 million GF/GP) for negotiated salary and wage increase (2.0% ongoing increase plus 0.5% lump sum increase), actuarially-required retirement rate increases, and economic adjustments for worker's compensation, building occupancy, and rent. The <u>House</u> concurs.	IDG	N/A	27,900
	Federal	N/A	2,042,100
	Restricted	N/A	452,700
	Local	N/A	3,018,400
	Private	N/A	4,200
	GF/GP	N/A	\$3,244,200

#### **Major Boilerplate Changes From FY 2013-14**

##### **GENERAL SECTIONS**

##### **Sec. 282. Uniform Definitions for Administrative Costs/Performance Metrics for Contracts – REVISED**

Requires DCH to establish, among other things, uniform definitions for the reporting of administrative costs by coordinating agencies on substance abuse, Salvation Army Harbor Light, and area agencies on aging and local providers. Executive deletes current law. House revises language in which the Department is required to work with the Department of Technology, Management, and Budget to establish an automated annual metric collection, validation, and reporting process for contracts via the state's e-procurement system. Also, requires the Department to provide a June 30, 2015 report that presents performance metrics on all new or existing contracts at renewal of \$1.0 million or more funded with state general fund/general purpose or state restricted resources. Requires the performance metrics to include, at a minimum, service delivery volumes and provider or beneficiary outcomes

##### **Sec. 288. Limits Administrative Component of New Contracts – NEW**

House adds new section requiring that no less than 90% of a new department contract supported solely from state restricted or general funds and designated for a specific entity for the purpose of providing services to individuals be expended for those services.

##### **Sec. 297. Legacy Costs – NEW**

Executive adds new section specifying that the total authorized appropriations for FY 2014-15 legacy costs are \$89,124,600 in which the pension-related legacy costs are estimated at \$49,676,000 and the retiree health care legacy costs are estimated at \$39,448,600. House concurs.

## **Major Boilerplate Changes From FY 2013-14**

### **BEHAVIORAL HEALTH SERVICES**

#### ***Sec. 403. Mental Health Services for Special Populations – REVISED***

Requires DCH to ensure CMHSPs or PIHPs meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement. Executive revises language in which the Department is required to competitively award grants for mental health services for special populations and ensure each contractor comply with performance related metrics to maintain their eligibility for funding. Also, specifies that the state will not be held liable for any spending above the contract amount. House concurs.

#### ***Sec. 502. Fetal Alcohol Syndrome Services – REVISED***

Requires the Department to explore developing an outreach program on fetal alcohol syndrome services and report on efforts to prevent, combat, and reduce the incidence of fetal alcohol syndrome. Executive deletes current law. House adds new subsection requiring the DCH to explore federal grant funding to address prevention services for fetal alcohol syndrome and reduce alcohol consumption among pregnant women. Also, requires the DCH to submit a progress report by April 1, 2015.

### **PUBLIC HEALTH ADMINISTRATION**

#### ***Sec. 654. Before- and After-School Healthy Exercise Program - REVISED***

Allocates \$1.0 million for a pilot before- and after-school healthy exercise program for children kindergarten through grade 6. Department shall incorporate evidence-based best practices for program model and guidelines. Program goals for participating children are indicated and a 20% match is required of grantees. Department shall seek third party financial support for program. House revises to school children's healthy exercise program through grade 8, and no less than ½ of the funds shall be granted for before- and after-school programs.

### **HEALTH POLICY**

#### ***Sec. 712. Free Health Clinic Funding - RETAINED***

Allocates \$250,000 to free health clinics from the funds appropriated for primary care services, to be distributed equally to each free health clinic. Defines free health clinic. Executive deletes. House does not concur.

### **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

#### ***Sec. 1103. Sexual and Maternal Health Expenditure and Demographics Report - DELETED***

Requires DCH to annually report an estimate of public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and to report demographics collected by DCH that are voluntarily self-reported by individuals utilizing those services. Executive deletes. House concurs.

#### ***Sec. 1108. Prohibit Use of Pregnancy Prevention Funds for Abortion Counseling, Referrals, or Services – REVISED***

#### ***Sec. 1119. No Use of Funds to Encourage or Support Abortion Services – DELETED***

Executive revises section 1108 to add family planning agreements, and deletes section 1119. House combines sections 1108 and 1119 as a revised section 1108, and deletes section 1119. The revised House language states that DCH shall not use state restricted or GF/GP funds appropriated in the family planning local agreements or pregnancy prevention program line items for abortion counseling, referrals, or services.

#### ***Sec. 1135. School Health Education Curriculum - DELETED***

Establishes that if funds become available, provision of a school health education curriculum shall be in accordance with goals of the Michigan Model for Comprehensive School Health Education State Steering Committee; establishes steering committee membership; and requires curriculum materials be made available upon request. Executive deletes. House concurs.

### **CRIME VICTIM SERVICES COMMISSION**

#### ***Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs - RETAINED***

Allocates up to \$200,000 of justice assistance grants line item funds for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for prosecution of sexual assault. Funds to be used for program coordination and training. Executive deletes. House does not concur.

### **MEDICAL SERVICES**

#### ***Section 1503. Healthy Michigan Plan Administration – NEW***

The House proposal adds a new section requiring the department to establish an accounting structure in the state system (Michigan administrative information network, or MAIN) to separately track expenditures for administration of the Healthy Michigan Plan.

#### ***Sec. 1815. Capitation Withhold Limitation - REMOVED***

This section limits capitation withholds for managed care plans at 0.19%. The Executive recommends removing the cap to avoid a conflict with the requirements of P.A. 107 of 2013 (Healthy Michigan Plan enabling legislation). The House concurs.

## **Major Boilerplate Changes From FY 2013-14**

### ***Sec. 1861. Nonemergency Medical Transportation - REVISED***

This section requires the department to report on the pilot program for non-emergency medical transportation in southeast Michigan. The Executive recommends deletion. The House proposal continues the reporting requirement, but broadens the scope of review to include the efficiency and effectiveness of the nonemergency transportation system, with acknowledgement that the review may be limited based on available data for services provided outside of DCH or its contractor. Accompanying language is proposed for the Department of Human Services (DHS), requiring DHS to provide DCH with data on methods of travel, number of people served, travel distances, number of trips, and trip costs. Adds a subsection requiring a new nonemergency pilot in at least two counties, with priority given to Berrien and Muskegon counties.

### ***Sec. 1866. Rural Hospital Payments - REVISED***

This section earmarks an amount of the Part 1 appropriation for special rural hospital payments, and establishes parameters for eligibility, disbursement, and reporting. The Executive recommends deletion. The House proposal changes the source of the state share from GF/GP to hospital quality assurance assessment program (QAAP) revenue to continue rural hospital payments in the same gross amount, and retains language regarding eligibility, disbursement, and reporting.

## **ONE-TIME BASIS ONLY APPROPRIATIONS**

### ***Sec. 1903. Graduate Medical Education - NEW***

The House includes new language requiring that, prior to expenditure of \$1.0 million GF/GP and associated federal match appropriated in the One-Time Basis Only Appropriations (Sec. 120), (1) the Michigan Health and Hospital Association and Michigan Association of Medical Education develop a new distribution formula for all ongoing GME resources, and (2) DCH approves the new distribution formula. Clarifies that the existing distribution formula will remain in place until a new formula is approved by the department, and ongoing GME funding will not be impacted by failure to agree on a new formula. This new language replaces GME-related boilerplate sections 1740, 1846, and 1870.