A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2020; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2020, from the following funds:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

APPROPRIATION SUMMARY

Full-time equated unclassified positions........ 6.0
Full-time equated classified positions....... 15,972.0
Average population ............................ 770.0
Senate Bill No. 139 as amended May 14, 2019

GROSS APPROPRIATION................................. $<<26,130,808,300>>

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers ........................................ 13,857,600

ADJUSTED GROSS APPROPRIATION......................... $<<26,116,950,700>>

Federal revenues:

Social security act, temporary assistance for needy families ........................................... 549,336,500

Capped federal revenues.............................. 571,168,800

Total other federal revenues ......................... 17,108,232,200

Special revenue funds:

Total local revenues........................................ 132,981,900

Total private revenues................................. 143,535,100

Michigan merit award trust fund...................... 49,768,700

Total other state restricted revenues ................ 2,816,115,100

State general fund/general purpose .................... $<<4,745,812,400>>

Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT

Full-time equated unclassified positions............ 6.0

Full-time equated classified positions............. 829.6

Unclassified salaries--6.0 FTE positions ............. $ 1,223,600

Administrative hearings officers...................... 11,340,000

Demonstration projects--7.0 FTE positions ............ 7,358,400

Departmental administration and management--601.6

FTE positions ........................................... 95,382,700

Michigan community service commission--14.0 FTE

positions ................................................... 11,669,300

Office of inspector general--207.0 FTE positions ..... 25,961,600
Property management ........................................ 71,003,700
Terminal leave payments .................................. 7,302,700
Worker's compensation ................................... 7,532,300
GROSS APPROPRIATION .................................. $ 238,774,300

Appropriated from:
Interdepartmental grant revenues:
IDG from department of education .................... 1,943,300
IDG from DTMB - office of retirement services ....... 600
Federal revenues:
Social security act, temporary assistance for needy families ................... 22,972,900
Capped federal revenues ................................... 31,019,200
Total other federal revenues ......................... 71,809,200
Special revenue funds:
Total local revenues ....................................... 86,000
Total private revenues .................................... 3,887,300
Total other state restricted revenues ............. 1,270,100
State general fund/general purpose ................ $ 105,785,700

Sec. 103. CHILD SUPPORT ENFORCEMENT
Full-time equated classified positions .......... 185.7
Child support enforcement operations--179.7 FTE
positions ...................................................... $ 23,471,500
Child support incentive payments ................... 24,409,600
Legal support contracts ................................... 113,607,100
State disbursement unit--6.0 FTE positions .... 8,148,600
GROSS APPROPRIATION .................................. $ 169,636,800
Appropriated from:
Federal revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total other federal revenues</td>
<td>$142,584,500</td>
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<tr>
<td>State general fund/general purpose</td>
<td>$27,052,300</td>
</tr>
</tbody>
</table>

**Sec. 104. COMMUNITY SERVICES AND OUTREACH**

- Full-time equated classified positions: 65.6 FTE
- Bureau of community services and outreach: 20.0 FTE positions
  - $3,439,300
- Campus sexual assault prevention and education initiative: $1,321,700
- Child advocacy centers: 0.5 FTE position
  - $2,407,000
- Community services and outreach administration: 12.0 FTE positions
  - $1,672,300
- Community services block grant
  - $25,840,000
- Crime victim grants administration services: 17.0 FTE positions
  - $2,236,000
- Crime victim justice assistance grants
  - $99,279,300
- Crime victim rights services grants
  - $18,870,000
- Domestic violence prevention and treatment: 15.6 FTE positions
  - $17,915,700
- Homeless programs
  - $22,632,700
- Housing and support services
  - $13,031,000
- Rape prevention and services: 0.5 FTE position
  - $5,097,300
- School success partnership program
  - $525,000
- Uniform statewide sexual assault evidence kit tracking system
  - $800,000
- Weatherization assistance
  - $15,505,000

**GROSS APPROPRIATION** $230,572,300
1 Appropriated from:
2 Federal revenues:
3 Social security act, temporary assistance for needy families ........................................... 13,264,800
4 Capped federal revenues ............................................................................................................ 57,314,500
5 Total other federal revenues ...................................................................................................... 117,138,300
6 Special revenue funds:
7 Compulsive gambling prevention fund .......................................................... 1,040,500
8 Sexual assault evidence tracking fund .......................................................... 800,000
9 Sexual assault victims' prevention and treatment fund ........................................................... 3,000,000
10 Child advocacy centers fund ................................................................................................. 1,407,000
11 Crime victim's rights fund ........................................................................................................ 17,690,600
12 State general fund/general purpose ...................................................................................... $ 18,916,600
13 Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD WELFARE
14 Full-time equated classified positions ....... 4,047.2
15 Adoption subsidies .......................................................... $ 198,618,200
16 Adoption support services--10.0 FTE positions ............ 33,588,800
17 Attorney general contract ......................................................................................................... 5,001,100
18 Child abuse and neglect - children's justice
19 act--1.0 FTE position ............................................................................................................... 626,400
20 Child care fund ...................................................................................................................... 207,915,100
21 Child protection ...................................................................................................................... 800,300
22 Child welfare administration travel ......................................................................................... 375,000
23 Child welfare field staff - noncaseload
24 compliance--353.0 FTE positions .............................................................................................. 39,335,100
25 Child welfare institute--51.0 FTE positions ............................................................................. 9,315,000
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>FTE Positions</th>
<th>Cost</th>
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<tbody>
<tr>
<td>1</td>
<td>Child welfare licensing --59.0 FTE positions</td>
<td></td>
<td>7,120,300</td>
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<td>2</td>
<td>Child welfare medical/psychiatric evaluations</td>
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<td>10,435,500</td>
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<td>3</td>
<td>Children's protective services - caseload</td>
<td></td>
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<tr>
<td>4</td>
<td>Children's protective services - caseload staff --1,615.0 FTE positions</td>
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<td>162,849,600</td>
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<tr>
<td>5</td>
<td>Children's protective services supervisors--387.0 FTE</td>
<td></td>
<td>45,708,900</td>
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<tr>
<td>6</td>
<td>Children's services administration--188.2 FTE positions</td>
<td></td>
<td>20,412,900</td>
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<tr>
<td>7</td>
<td>Children's services administration--188.2 FTE positions</td>
<td></td>
<td>590,700</td>
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<tr>
<td>8</td>
<td>Children's trust fund grants</td>
<td></td>
<td>3,777,200</td>
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<td>9</td>
<td>Contractual services, supplies, and materials</td>
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<td>10,155,600</td>
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<td>10</td>
<td>Court appointed special advocates</td>
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<td>100</td>
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<td>11</td>
<td>Education planners--15.0 FTE positions</td>
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<td>1,579,200</td>
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<td>12</td>
<td>Family preservation and prevention services</td>
<td></td>
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<td>13</td>
<td>Family preservation programs--15.0 FTE positions</td>
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<td>42,291,400</td>
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<td>14</td>
<td>Foster care payments</td>
<td></td>
<td>244,982,200</td>
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<td>15</td>
<td>Foster care services - caseload staff--966.0 FTE positions</td>
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<td>93,195,800</td>
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<td>16</td>
<td>Foster care services supervisors--227.0 FTE positions</td>
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<td>29,535,000</td>
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<td>17</td>
<td>Foster care task force</td>
<td></td>
<td>50,000</td>
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<td>18</td>
<td>Guardianship assistance program</td>
<td></td>
<td>10,534,500</td>
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<td>19</td>
<td>Peer coaches--45.5 FTE positions</td>
<td></td>
<td>5,922,300</td>
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<td>20</td>
<td>Performance based funding implementation--3.0 FTE</td>
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<td>1,454,500</td>
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<td>21</td>
<td>Permanency resource managers--28.0 FTE positions</td>
<td></td>
<td>3,317,600</td>
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<tr>
<td>Item</td>
<td>Amount</td>
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<td></td>
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<tr>
<td>----------------------------------------------------------------------</td>
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<tr>
<td>Prosecuting attorney contracts</td>
<td>3,879,500</td>
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<tr>
<td>Second line supervisors and technical staff--54.0</td>
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<tr>
<td>FTE positions</td>
<td>9,184,800</td>
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<tr>
<td>Settlement monitor</td>
<td>2,034,100</td>
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<tr>
<td>Strong families/safe children</td>
<td>12,600,000</td>
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<tr>
<td>Title IV-E compliance and accountability office--4.0</td>
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<tr>
<td>FTE positions</td>
<td>435,700</td>
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<tr>
<td>Youth in transition--4.5 FTE positions</td>
<td>15,545,100</td>
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<tr>
<td>GROSS APPROPRIATION</td>
<td>1,234,510,400</td>
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</table>

Appropriated from:
- Interdepartmental grant revenues:
  - IDG from department of education                               | 90,300       |
- Federal revenues:
  - Social security act, temporary assistance for needy families | 344,141,600  |
  - Capped federal revenues                                       | 111,497,100  |
  - Total other federal revenues                                   | 252,067,700  |
- Special revenue funds:
  - Private - collections                                          | 1,770,700    |
  - Local funds - county chargeback                                | 18,102,700   |
  - Children's trust fund                                          | 2,897,300    |
  - State general fund/general purpose                             | 503,943,000  |

Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE

Justice

- Full-time equated classified positions.......................... 120.5
- Bay Pines Center--47.0 FTE positions                        | 5,755,100    |
- Committee on juvenile justice administration--2.5          |              |
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>FTE positions</td>
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<tr>
<td>Committee on juvenile justice grants</td>
<td>3,000,000</td>
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<tr>
<td>Community support services--3.0 FTE positions</td>
<td>2,129,400</td>
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<td>County juvenile officers</td>
<td>3,904,300</td>
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<td>Juvenile justice, administration and maintenance--21.0 FTE positions</td>
<td>3,997,500</td>
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<tr>
<td>Shawono Center--47.0 FTE positions</td>
<td>5,804,100</td>
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<td>GROSS APPROPRIATION</td>
<td>$ 24,946,700</td>
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Appropriated from:

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<tr>
<th>Source</th>
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<tr>
<td>Capped federal revenues</td>
<td>8,567,600</td>
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<tr>
<td>Total other federal revenues</td>
<td>25,800</td>
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<tr>
<td>Special revenue funds</td>
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<tr>
<td>Local funds - state share education funds</td>
<td>1,355,700</td>
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<tr>
<td>Local funds - county chargeback</td>
<td>4,698,000</td>
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<tr>
<td>State general fund/general purpose</td>
<td>$ 10,299,600</td>
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</table>

**Sec. 107. PUBLIC ASSISTANCE**

<table>
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<th>Program</th>
<th>Amount</th>
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<tr>
<td>Full-time equated classified positions</td>
<td>3.0</td>
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<tr>
<td>Emergency services local office allocations</td>
<td>$ 9,007,500</td>
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<tr>
<td>Family independence program</td>
<td>65,774,800</td>
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<tr>
<td>Food assistance program benefits</td>
<td>1,760,805,700</td>
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<tr>
<td>Food Bank Council of Michigan</td>
<td>$&lt;&lt;2,515,200&gt;&gt;</td>
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<tr>
<td>Indigent burial</td>
<td>4,375,000</td>
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<tr>
<td>Low-income home energy assistance program</td>
<td>174,951,600</td>
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<tr>
<td>Michigan energy assistance program--1.0 FTE position</td>
<td>50,000,000</td>
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<tr>
<td>Multicultural integration funding</td>
<td>15,303,800</td>
</tr>
<tr>
<td>Refugee assistance program--2.0 FTE positions</td>
<td>3,050,400</td>
</tr>
</tbody>
</table>
Senate Bill No. 139 as amended May 14, 2019

1. State disability assistance payments .......................... $ 6,567,500
2. State supplementation ........................................... $ 58,903,400
3. State supplementation administration .......................... $ 1,681,100
4. GROSS APPROPRIATION ........................................... $<<2,152,936,000>>

   Appropriated from:

   Federal revenues:

   Social security act, temporary assistance for needy

   families .......................................................... $ 55,534,000

   Capped federal revenues ........................................ $ 178,186,500

   Total other federal revenues ................................. $ 1,756,605,700

   Special revenue funds:

   Child support collections ..................................... $ 11,250,200

   Supplemental security income recoveries ..................... $ 4,142,700

   Public assistance recoupment revenue ........................ $ 5,000,000

   Low-income energy assistance fund .......................... $ 50,000,000

   State general fund/general purpose ......................... $<92,216,900>

Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES

   Full-time equated classified positions ........... 5,814.5

   Administrative support workers--221.0 FTE positions ... $ 13,397,000

   Adult services field staff--520.0 FTE positions ...... $ 58,058,800

   Contractual services, supplies, and materials .......... $ 16,927,600

   Donated funds positions--238.0 FTE positions ........... $ 27,558,000

   Elder Law of Michigan MiCAFE contract ................... $ 350,000

   Electronic benefit transfer (EBT) ......................... $ 8,509,000

   Employment and training support services ................. $ 4,219,100

   Field policy and administration--66.0 FTE positions .. $ 11,464,100

   Field staff travel ........................................... $ 8,111,400
Medical/psychiatric evaluations.......................... 1,420,100
Nutrition education--2.0 FTE positions............... 33,050,400
Public assistance field staff--4,747.5 FTE positions 499,285,700
SSI advocacy legal services grant...................... 250,000
Training and program support--20.0 FTE positions..... 2,516,600
Volunteer services and reimbursement.................. 942,400
GROSS APPROPRIATION.................................. $ 686,060,200

Appropriated from:

Interdepartmental grant revenues:
IDG from department of corrections................... 121,500
IDG from department of education..................... 7,873,100

Federal revenues:
Social security act, temporary assistance for needy families ................... 73,168,800
Capped federal revenues.................................. 55,013,900
Total other federal revenues............................ 264,639,700

Special revenue funds:
Local funds - donated funds.............................. 4,102,000
Private funds - donated funds........................... 9,395,600
State general fund/general purpose...................... $ 271,745,600

Sec. 109. DISABILITY DETERMINATION SERVICES
Full-time equated classified positions............. 575.4
Disability determination operations--571.3 FTE positions ........................................ $ 112,880,800
Retirement disability determination--4.1 FTE positions ........................................... 623,300
GROSS APPROPRIATION.................................. $ 113,504,100

Appropriated from:
Interdepartmental grant revenues:
IDG from DTMB - office of retirement services ........ 799,900

Federal revenues:
Total other federal revenues ......................... 108,388,000
State general fund/general purpose ................... $ 4,316,200

Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

AND SPECIAL PROJECTS
Full-time equated classified positions ........ 108.0
Behavioral health program administration--86.0 FTE
positions ............................................. $ 54,836,800
Family support subsidy ................................ 14,137,300
Federal and other special projects .................... 2,535,600
Gambling addiction--1.0 FTE position ................ 4,511,000
Office of recipient rights--21.0 FTE positions ...... 2,804,700
Protection and advocacy services support ............ 194,400
GROSS APPROPRIATION ................................ $ 79,019,800

Appropriated from:
Federal revenues:
Social security act, temporary assistance for needy families ............................................. 14,317,800
Total other federal revenues ......................... 38,998,700
Special revenue funds:
Total private revenues ................................ 1,004,700
Total other state restricted revenues ............... 4,511,000
State general fund/general purpose ................... $ 20,187,600

Sec. 111. BEHAVIORAL HEALTH SERVICES
Full-time equated classified positions .......... 11.0
<table>
<thead>
<tr>
<th>Service Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Autism services</td>
<td>$208,181,100</td>
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<tr>
<td>Children with serious emotional disturbance waiver</td>
<td>$10,000,000</td>
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<tr>
<td>Children's waiver home care program</td>
<td>$20,241,100</td>
</tr>
<tr>
<td>Civil service charges</td>
<td>$399,300</td>
</tr>
<tr>
<td>Community mental health non-Medicaid services</td>
<td>$125,578,200</td>
</tr>
<tr>
<td>Community substance use disorder prevention, education, and treatment</td>
<td>$107,754,700</td>
</tr>
<tr>
<td>Court-appointed guardian and conservator reimbursement</td>
<td>$100</td>
</tr>
<tr>
<td>Federal mental health block grant--4.0 FTE positions</td>
<td>$20,573,800</td>
</tr>
<tr>
<td>Health homes</td>
<td>$3,369,000</td>
</tr>
<tr>
<td>Healthy Michigan plan - behavioral health</td>
<td>$346,548,100</td>
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<tr>
<td>Medicaid mental health services</td>
<td>$2,478,086,100</td>
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<tr>
<td>Medicaid substance use disorder services</td>
<td>$66,200,100</td>
</tr>
<tr>
<td>Nursing home PAS/ARR-OBRA--7.0 FTE positions</td>
<td>$12,291,300</td>
</tr>
<tr>
<td>State disability assistance program substance use disorder services</td>
<td>$2,018,800</td>
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<tr>
<td>GROSS APPROPRIATION</td>
<td>$3,401,241,700</td>
</tr>
</tbody>
</table>

Appropriated from:

- **Federal revenues:**
  - Total other federal revenues                                                  | $2,232,858,000 |
- **Special revenue funds:**
  - Total local revenues                                                            | $25,475,700    |
  - Total other state restricted revenues                                            | $34,018,100    |
  - State general fund/general purpose                                               | $1,108,889,900 |

**Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

- Total average population                                                          | 770.0         |
| 1 | Full-time equated classified positions....... 2,380.6 |
| 2 | Behavioral health facility contingency............... $ 20,000,000 |
| 3 | Caro Regional Mental Health Center - psychiatric hospital - adult - or regional mental health center located within 6 miles of the county seat of a county with a population between 55,000 and 57,0 in the 2010 decennial census--542.3 FTE positions... 63,020,400 |
| 4 | Average population ............................ 145.0 |
| 5 | Center for forensic psychiatry--613.1 FTE positions .. 88,170,000 |
| 6 | Average population ............................ 240.0 |
| 7 | Developmental disabilities council and projects--10.0 FTE positions ...................................... 3,108,100 |
| 8 | Gifts and bequests for patient living and treatment environment ........................................ 1,000,000 |
| 9 | Hawthon Center - psychiatric hospital - children and adolescents--276.0 FTE positions.............. 32,617,800 |
| 10 | Average population ............................. 55.0 |
| 11 | IDEA, federal special education...................... 120,000 |
| 12 | Kalamazoo Psychiatric Hospital - adult--533.8 FTE positions ........................................ 70,128,800 |
| 13 | Average population ............................ 170.0 |
| 14 | Purchase of medical services for residents of hospitals and centers ................................. 445,600 |
| 15 | Revenue recapture........................................ 750,100 |
| 16 | Special maintenance.................................. 924,600 |
| 17 | Walter P. Reuther Psychiatric Hospital - adult--405.4 FTE positions ........................................ 48,375,800 |
Average population .................................. 160.0

GROSS APPROPRIATION .................................. $ 328,661,200

Appropriated from:

Federal revenues:
Total other federal revenues ......................... 43,434,400

Special revenue funds:
Total local revenues .................................. 23,106,200
Total private revenues ................................ 1,000,000
Total other state restricted revenues ............... 15,092,700
State general fund/general purpose .................. $ 246,027,900

Sec. 113. HEALTH AND HUMAN SERVICES POLICY AND
INITIATIVES

Full-time equated classified positions .......... 609.7
Certificate of need program administration--11.8 FTE
positions .................................................. $ 2,770,900
Health policy administration--33.9 FTE positions .... 14,517,200
Human trafficking intervention services .......... 200,000
Independent living ...................................... 14,031,700
Michigan essential health provider ............... 4,521,200
Michigan rehabilitation services--555.0 FTE positions 131,109,200
Minority health grants and contracts--3.0 FTE
positions .................................................. 1,127,900
Nurse education and research program--3.0 FTE
positions .................................................. 798,900
Primary care services--2.0 FTE positions .......... 3,481,000
Rural health services--1.0 FTE position .......... 1,555,500
GROSS APPROPRIATION .................................. $ 174,113,500
Appropriated from:

Interdepartmental grant revenues:

1. IDG from the department of education ........................................ 2,400
2. IDG from the department of licensing and regulatory affairs .............. 837,200
3. IDG from the department of treasury, Michigan state hospital finance authority .............................................. 117,700

Federal revenues:

1. Social security act, temporary assistance for needy families ............................ 332,100
2. Capped federal revenues ...................................................... 104,163,600
3. Federal supplemental security income ..................................... 8,588,600
4. Total other federal revenues ............................................. 16,176,400

Special revenue funds:

1. Total local revenues .................................................................. 5,300,000
2. Total private revenues .......................................................... 1,396,500
3. Total other state restricted revenues ........................................ 3,143,000
4. State general fund/general purpose ........................................... $ 34,056,000

Sec. 114. LABORATORY SERVICES

Full-time equated classified positions ............. 102.0

Laboratory services--102.0 FTE positions .............. $ 23,776,100

GROSS APPROPRIATION .................................................. $ 23,776,100

Appropriated from:

Interdepartmental grant revenues:

1. IDG from the department of environmental quality .......................... 1,004,600

Federal revenues:

1. Total other federal revenues ............................................. 4,338,600
1 Special revenue funds:
2 Total other state restricted revenues.................. 11,147,200
3 State general fund/general purpose..................... $ 7,285,700

Sec. 115. EPIDEMIOLOGY AND POPULATION HEALTH

5 Full-time equated classified positions......... 229.5
6 Childhood lead program--4.5 FTE positions.......... $ 2,062,200
7 Epidemiology administration--75.1 FTE positions...... 21,274,400
8 Healthy homes program--12.0 FTE positions........... 27,768,000
9 Newborn screening follow-up and treatment
10 services--10.5 FTE positions ....................... 7,825,900
11 PFAS and environmental contamination response--46.0
12 FTE positions .............................................. 18,925,300
13 Vital records and health statistics--81.4 FTE
14 positions .................................................. 10,439,500
15 GROSS APPROPRIATION........................................ $ 88,295,300

Appropriated from:

Federal revenues:
18 Capped federal revenues.................................. 81,100
19 Total other federal revenues............................ 41,423,800

Special revenue funds:
21 Total private revenues.................................. 347,000
22 Total other state restricted revenues.................. 14,529,500
23 State general fund/general purpose..................... $ 31,913,900

Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES

25 Full-time equated classified positions........... 137.3
26 AIDS prevention, testing, and care programs--37.7
27 FTE positions ..................................................... $ 63,752,200
Cancer prevention and control program--16.0 FTE positions ...........................................  $15,632,300
Chronic disease control and health promotion administration--23.4 FTE positions .....................  $10,420,800
Diabetes and kidney program--8.0 FTE positions ...........  $3,274,700
Essential local public health services ......................  $51,419,300
Implementation of 1993 PA 133, MCL 333.17015 ..............  $20,000
Injury control intervention project ..........................  $100
Local health services--3.3 FTE positions ...................  $7,209,100
Medicaid outreach cost reimbursement to local health departments .............................................  $12,500,000
Public health administration--9.0 FTE positions ............  $1,998,200
Sexually transmitted disease control program--20.0 FTE positions ...........................................  $6,376,500
Smoking prevention program--15.0 FTE positions ..........  $3,818,000
Violence prevention--4.9 FTE positions ......................  $3,315,800
GROSS APPROPRIATION ........................................ $179,737,000

  Appropriated from:
  Federal revenues:
  Capped federal revenues ......................................  $495,000
  Total other federal revenues ................................  $72,554,200
  Special revenue funds:
  Total local revenues .........................................  $5,150,000
  Total private revenues .......................................  $33,789,800
  Total other state restricted revenues .....................  $9,919,500
  State general fund/general purpose ........................  $57,828,500

Sec. 117. FAMILY HEALTH SERVICES
<table>
<thead>
<tr>
<th>Description</th>
<th>FTE Positions</th>
<th>Appropriation</th>
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<tbody>
<tr>
<td>Full-time equated classified positions</td>
<td>133.6</td>
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</tr>
<tr>
<td>Dental programs--3.8 FTE positions</td>
<td></td>
<td>$2,764,900</td>
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<tr>
<td>Family, maternal, and child health</td>
<td></td>
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<tr>
<td>Family planning local agreements--55.0 FTE positions</td>
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<td>9,738,300</td>
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<td>Immunization program--15.8 FTE positions</td>
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<td>Local MCH services</td>
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<tr>
<td>Pregnancy prevention program</td>
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<td>1,464,600</td>
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<tr>
<td>Prenatal care and premature birth avoidance grant</td>
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<td>1,000,000</td>
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<tr>
<td>Prenatal care outreach and service delivery</td>
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<td></td>
</tr>
<tr>
<td>Support--14.0 FTE positions</td>
<td></td>
<td>20,803,500</td>
</tr>
<tr>
<td>Special projects</td>
<td></td>
<td>11,486,000</td>
</tr>
<tr>
<td>Sudden and unexpected infant death and suffocation</td>
<td></td>
<td>321,300</td>
</tr>
<tr>
<td>Women, infants, and children program administration</td>
<td></td>
<td>249,471,600</td>
</tr>
<tr>
<td>and benefits--45.0 FTE positions</td>
<td></td>
<td></td>
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<tr>
<td>GROSS APPROPRIATION</td>
<td></td>
<td>$331,425,200</td>
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</tbody>
</table>

Appropriated from:

Federal revenues:

Social security act, temporary assistance for needy families                |               | 750,000       |

Total other federal revenues                                               |               | 243,388,500   |

Special revenue funds:

Total local revenues                                                        |               | 75,000        |

Total private revenues                                                      |               | 62,202,400    |

Total other state restricted revenues                                       |               | 4,053,900     |

State general fund/general purpose                                          |               | $20,955,400   |
Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS

Full-time equated classified positions .......... 76.0
Bioterrorism preparedness--53.0 FTE positions .... $ 30,588,900
Emergency medical services program--23.0 FTE positions .... 6,594,100
GROSS APPROPRIATION ................................ $ 37,183,000

Appropriated from:
Federal revenues:
Total other federal revenues ....................... 31,532,200
Special revenue funds:
Total other state restricted revenues ................ 4,004,900
State general fund/general purpose .................. $ 1,645,900

Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES

Full-time equated classified positions .......... 46.8
Bequests for care and services--2.8 FTE positions .... $ 1,841,400
Children's special health care services
administration--44.0 FTE positions .................. 6,173,400
Medical care and treatment .......................... 228,477,000
Nonemergency medical transportation ................. 905,900
Outreach and advocacy .............................. 5,510,000
GROSS APPROPRIATION ................................ $ 242,907,700

Appropriated from:
Federal revenues:
Total other federal revenues ....................... 130,414,400
Special revenue funds:
Total private revenues ............................. 1,019,800
Total other state restricted revenues ................ 3,683,400
### Senate Bill No. 139 as amended May 14, 2019

1. **State general fund/general purpose**........................ $ 107,790,100

### Sec. 120. AGING AND ADULT SERVICES AGENCY

<table>
<thead>
<tr>
<th>Full-time equated classified positions</th>
<th>47.0</th>
</tr>
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</table>

#### Aging and adult services administration--47.0 FTE positions

<table>
<thead>
<tr>
<th>Community services</th>
<th>8,727,600</th>
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<tbody>
<tr>
<td>Employment assistance</td>
<td>3,500,000</td>
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<tr>
<td>Nutrition services</td>
<td>42,254,200</td>
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<tr>
<td>Respite care program</td>
<td>6,468,700</td>
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<tr>
<td>Senior volunteer service programs</td>
<td>4,765,300</td>
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</table>

#### GROSS APPROPRIATION

$ 111,783,300

Appropriated from:

- **Federal revenues:**
  - Capped federal revenues: 249,700
  - Total other federal revenues: 59,094,200
- **Special revenue funds:**
  - Total private revenues: 520,000
  - Michigan merit award trust fund: 4,068,700
  - Total other state restricted revenues: 2,000,000
  - State general fund/general purpose: $ 45,850,700

### Sec. 121. MEDICAL SERVICES ADMINISTRATION

<table>
<thead>
<tr>
<th>Full-time equated classified positions</th>
<th>406.0</th>
</tr>
</thead>
</table>

#### Electronic health record incentive program

$ 37,501,000

#### Healthy Michigan plan administration--36.0 FTE positions

| Healthy Michigan plan work supports | 10,000,000 |
| Medical services administration--370.0 FTE positions | 79,621,800 |
### Sec. 122. MEDICAL SERVICES

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Adult home help services</td>
<td>$393,359,100</td>
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<tr>
<td>Ambulance services</td>
<td>10,220,000</td>
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<tr>
<td>Auxiliary medical services</td>
<td>7,717,000</td>
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<tr>
<td>Dental clinic program</td>
<td>1,000,000</td>
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<tr>
<td>Dental services</td>
<td>331,631,700</td>
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<tr>
<td>Federal Medicare pharmaceutical program</td>
<td>293,038,500</td>
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<tr>
<td>Health plan services</td>
<td>5,205,096,500</td>
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<tr>
<td>Healthy Michigan plan</td>
<td>3,793,457,400</td>
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<tr>
<td>Home health services</td>
<td>6,427,000</td>
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<tr>
<td>Hospice services</td>
<td>163,243,100</td>
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<tr>
<td>Hospital disproportionate share payments</td>
<td>45,000,000</td>
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<tr>
<td>Hospital services and therapy</td>
<td>743,245,000</td>
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<td>Integrated care organizations</td>
<td>250,392,300</td>
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<tr>
<td>Long-term care services</td>
<td>2,024,893,700</td>
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<tr>
<td>Maternal and child health</td>
<td>32,279,600</td>
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<tr>
<td>Medicaid home- and community-based services waiver</td>
<td>346,613,000</td>
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<tr>
<td>Medicare premium payments</td>
<td>633,857,300</td>
</tr>
<tr>
<td>Service Description</td>
<td>Amount</td>
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<tr>
<td>---------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Personal care services</td>
<td>8,437,000</td>
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<tr>
<td>Pharmaceutical services</td>
<td>349,251,700</td>
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<tr>
<td>Physician services</td>
<td>210,585,100</td>
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<tr>
<td>Program of all-inclusive care for the elderly</td>
<td>133,210,000</td>
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<tr>
<td>School-based services</td>
<td>109,937,200</td>
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<tr>
<td>Special Medicaid reimbursement</td>
<td>309,957,300</td>
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<tr>
<td>Transportation</td>
<td>16,966,500</td>
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<tr>
<td>GROSS APPROPRIATION</td>
<td>$ 15,419,816,000</td>
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</tbody>
</table>

Appropriated from:

Federal revenues:

1. Total other federal revenues                      10,901,074,400

Special revenue funds:

2. Total local revenues                               45,492,900
3. Total private revenues                             2,100,000
4. Michigan merit award trust fund                    45,700,000
5. Total other state restricted revenues              2,609,177,400
6. State general fund/general purpose                 $ 1,816,271,300

Sec. 123. INFORMATION TECHNOLOGY

7. Full-time equated classified positions.............. 43.0
8. Bridges information system                         $ 14,903,000
9. Child support automation                           44,425,600
10. Information technology services and projects      203,415,900
11. Michigan Medicaid information system              104,287,600
12. Michigan statewide automated child welfare
13. information system                                 18,133,800
14. Technology supporting integrated service
15. delivery--43.0 FTE positions                       73,533,000
**Senate Bill No. 139 as amended May 14, 2019**

1. **GROSS APPROPRIATION** .................................. $ 458,698,900

Appropriated from:

2. Interdepartmental grant revenues:
   3. IDG from department of education ..................... 1,067,000

Federal revenues:

4. Social security act, temporary assistance for needy families ........................................... 24,854,500

5. Capped federal revenues .................................. 24,580,600

6. Total other federal revenues ................................ 286,429,800

7. Special revenue funds:
   8. Total private revenues .................................. 25,000,000
   9. Total other state restricted revenues .................. 1,999,800
   10. State general fund/general purpose ........................ $ 94,767,200

**Sec. 124. ONE-TIME APPROPRIATIONS**

11. Asian American health care and wellness initiative ... $ 100

12. Autism navigator............................................. 100

13. Autism train the trainer grant ............................. 100,000

14. Dental clinic program....................................... 100

15. Drinking water declaration of emergency ................ 700,000

16. Employment first............................................. 100

17. Federal health insurance fee ............................... 180,500,000

18. Information technology services and projects .......... 47,000,000

19. Multicultural integration funding ......................... 1,381,100

20. Opioid transitional housing and services grant ........ 750,000

21. Refugee assistance grant...................................... 100

22. State innovation model continuation ...................... 100

23. Statewide lead abatement contractor outreach ........... 100

24. <<Substance use disorder hospital pilot program ....... 100>>
Senate Bill No. 139 as amended May 14, 2019

1 GROSS APPROPRIATION........................................... $ <<230,431,900>>

2 Appropriated from:

3 Federal revenues:

4 Total other federal revenues............................... 165,730,200

5 State general fund/general purpose....................... $ <<64,701,700>>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2019-2020

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2019-2020 is <<$7,611,696,200.00>> and state spending from state sources to be paid to local units of government for fiscal year 2019-2020 is $1,551,936,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DEPARTMENTAL ADMINISTRATION AND MANAGEMENT

19 Departmentwide administration and management........ $ 344,000

20 Michigan community service commission............... 2,300

CHILD SUPPORT ENFORCEMENT

22 Child support incentive payments...................... $ 9,465,000

23 Legal support contracts................................. 3,511,000

COMMUNITY SERVICES AND OUTREACH

25 Crime victim administration and services.......... $ 7,796,300
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<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
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<td>1</td>
<td>Domestic violence prevention and treatment</td>
<td>164,500</td>
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<td>2</td>
<td>Housing and support services</td>
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<tr>
<td>3</td>
<td><strong>CHILDREN'S SERVICES AGENCY - CHILD WELFARE</strong></td>
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<tr>
<td>4</td>
<td>Child care fund</td>
<td>$ 164,865,900</td>
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<td>5</td>
<td>Child welfare licensing</td>
<td>76,700</td>
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<tr>
<td>6</td>
<td>Child welfare medical/psychiatric evaluations</td>
<td>32,700</td>
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<tr>
<td>7</td>
<td>Child's trust fund grants</td>
<td>150,200</td>
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<td>8</td>
<td>Contractual services, supplies, and materials</td>
<td>5,600</td>
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<td>9</td>
<td>Foster care payments</td>
<td>2,485,800</td>
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<td>10</td>
<td>Youth in transition</td>
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<td>11</td>
<td><strong>CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE</strong></td>
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<td>12</td>
<td>Bay Pine Center</td>
<td>$ 26,900</td>
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<td>13</td>
<td>Community support services</td>
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<tr>
<td>14</td>
<td>Juvenile justice, administration, and maintenance</td>
<td>26,500</td>
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<tr>
<td>15</td>
<td>Shawono Center</td>
<td>1,300</td>
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<td>16</td>
<td><strong>PUBLIC ASSISTANCE</strong></td>
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<td>17</td>
<td>Emergency services local office allocations</td>
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<td>18</td>
<td>Family independence program</td>
<td>1,300</td>
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<td>19</td>
<td>Indigent burial</td>
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<td>20</td>
<td>Multicultural integration funding</td>
<td>1,387,100</td>
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<td>21</td>
<td>State disability assistance payments</td>
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<td>22</td>
<td><strong>FIELD OPERATIONS AND SUPPORT SERVICES</strong></td>
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<td>23</td>
<td>Contractual services, supplies, and materials</td>
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<td>24</td>
<td>Employment and training support services</td>
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<td>25</td>
<td>Volunteer services and reimbursements</td>
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<td>26</td>
<td><strong>BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS</strong></td>
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<td>27</td>
<td>Behavioral health program administration</td>
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<td>BEHAVIORAL HEALTH SERVICES</td>
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<tr>
<td>1</td>
<td>Autism services</td>
<td>72,884,600</td>
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<td>2</td>
<td>Children with serious emotional disturbance waiver</td>
<td>3,594,000</td>
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<td>3</td>
<td>Children's waiver home care program</td>
<td>7,274,700</td>
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<td>4</td>
<td>Community mental health non-Medicaid services</td>
<td>125,578,200</td>
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<tr>
<td>5</td>
<td>Community substance use disorder prevention, education, and treatment</td>
<td>14,735,900</td>
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<tr>
<td>6</td>
<td>Health homes</td>
<td>50,800</td>
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<tr>
<td>7</td>
<td>Healthy Michigan plan - behavioral health</td>
<td>32,396,000</td>
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<td>8</td>
<td>Medicaid mental health services</td>
<td>852,130,400</td>
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<tr>
<td>9</td>
<td>Medicaid substance use disorder services</td>
<td>23,381,300</td>
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<tr>
<td>10</td>
<td>Nursing home PAS/ARR-OBRA</td>
<td>2,485,800</td>
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<td>11</td>
<td>State disability assistance program substance use disorder services</td>
<td>1,807,600</td>
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<tr>
<td>12</td>
<td></td>
<td></td>
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<tr>
<td>13</td>
<td>STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES</td>
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<tr>
<td>14</td>
<td>Caro Regional Mental Health Center - psychiatric hospital - adult - or regional mental health center located within 6 miles of the county seat of a county with a population between 55,000 and 57,000 in the 2010 decennial census</td>
<td>182,900</td>
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<td>15</td>
<td>Center for forensic psychiatry</td>
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<td>16</td>
<td>Hawthorn Center - psychiatric hospital - children and adolescents</td>
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<tr>
<td>17</td>
<td>Kalamazoo Psychiatric Hospital - adult</td>
<td>33,300</td>
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<td>18</td>
<td>Walter P. Reuther Psychiatric Hospital - adult</td>
<td>48,000</td>
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<tr>
<td>20</td>
<td>HEALTH AND HUMAN SERVICES POLICY AND INITIATIANS</td>
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<tr>
<td>21</td>
<td>Michigan rehabilitation services</td>
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S01198'19 (S-2)  EMR
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<thead>
<tr>
<th></th>
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<tr>
<td>1</td>
<td>Primary care services</td>
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<td><strong>EPIDEMIOLOGY AND POPULATION HEALTH</strong></td>
<td></td>
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<tr>
<td>3</td>
<td>Epidemiology administration</td>
<td>$233,200</td>
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<td>4</td>
<td>Healthy homes program</td>
<td>99,200</td>
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<tr>
<td>5</td>
<td>Vital records and health statistics</td>
<td>5,100</td>
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<tr>
<td>6</td>
<td><strong>LOCAL HEALTH AND ADMINISTRATIVE SERVICES</strong></td>
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<tr>
<td>7</td>
<td>AIDS prevention, testing, and care programs</td>
<td>$2,323,800</td>
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<td>8</td>
<td>Cancer prevention and control program</td>
<td>463,000</td>
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<td>9</td>
<td>Chronic disease control and health promotion</td>
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<td>2,189,400</td>
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<td>11</td>
<td>Essential local public health services</td>
<td>46,269,300</td>
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<tr>
<td>12</td>
<td>Local health services</td>
<td>3,184,300</td>
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<td>13</td>
<td>Sexually transmitted disease control program</td>
<td>442,700</td>
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<td>14</td>
<td><strong>FAMILY HEALTH SERVICES</strong></td>
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<td>15</td>
<td>Family planning local agreements</td>
<td>$187,700</td>
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<tr>
<td>16</td>
<td>Family, maternal, and child health administration</td>
<td>52,300</td>
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<tr>
<td>17</td>
<td>Immunization program</td>
<td>1,247,900</td>
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<tr>
<td>18</td>
<td>Prenatal care outreach and service delivery support</td>
<td>3,809,100</td>
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<td>19</td>
<td>Special projects</td>
<td>760,000</td>
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<td>20</td>
<td><strong>EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS</strong></td>
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<tr>
<td>21</td>
<td>Emergency medical services program</td>
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<tr>
<td>22</td>
<td><strong>CHILDREN'S SPECIAL HEALTH CARE SERVICES</strong></td>
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<tr>
<td>23</td>
<td>Medical care and treatment</td>
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<tr>
<td>24</td>
<td>Outreach and advocacy</td>
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<td><strong>AGING AND ADULT SERVICES AGENCY</strong></td>
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<tr>
<td>26</td>
<td>Aging and adult services administration</td>
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<td>27</td>
<td>Community services</td>
<td>21,589,200</td>
</tr>
</tbody>
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Nutrition services ........................................... 12,597,200
Respite care program .......................................... 6,375,300
Senior volunteer service programs ..................... 1,000,400

MEDICAL SERVICES
Adult home help services ..................................... $ 269,100
Ambulance services ............................................ 441,400
Auxiliary medical services ................................... 1,100
dental services ................................................ 1,166,900
Health plan services ........................................... 658,300
Healthy Michigan plan .......................................... 463,800
Home health services .......................................... 15,500
Hospice services ................................................ 51,700
Hospital disproportionate share payments ........... 9,000
Hospital services and therapy ............................ 2,032,000
Long-term care services ....................................... 90,155,600
Medicaid home- and community-based services waiver... 11,666,900
Personal care services ......................................... 28,900
Pharmaceutical services ....................................... 16,400
Physician services ............................................. 3,320,300
Special Medicaid reimbursement ........................... 112,900
Transportation .................................................. 235,900

ONE-TIME APPROPRIATIONS
Drinking water declaration of emergency .................. $ 700,000

TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT ...... $1,551,936,700

Sec. 202. The appropriations authorized under this part and
part 1 are subject to the management and budget act, 1984 PA 431,
MCL 18.1101 to 18.1594.
Sec. 203. As used in this part and part 1:

(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) "CMS" means the Centers for Medicare and Medicaid Services.

(d) "Current fiscal year" means the fiscal year ending September 30, 2020.

(e) "Department" means the department of health and human services.

(f) "Director" means the director of the department.

(g) "DSH" means disproportionate share hospital.

(h) "EPSDT" means early and periodic screening, diagnosis, and treatment.

(i) "Federal poverty level" means the poverty guidelines published annually in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902.

(j) "FTE" means full-time equated.

(k) "GME" means graduate medical education.

(l) "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.

(m) "HEDIS" means healthcare effectiveness data and information set.

(n) "HMO" means health maintenance organization.
(o) "IDEA" means the individuals with disabilities education
act, 20 USC 1400 to 1482.

(p) "IDG" means interdepartmental grant.

(q) "MCH" means maternal and child health.

(r) "Medicaid" means subchapter XIX of the social security
act, 42 USC 1396 to 1396w-5.

(s) "Medicare" means subchapter XVIII of the social security
act, 42 USC 1395 to 1395III.

(t) "MiCAFE" means Michigan's coordinated access to food for
the elderly.

(u) "MIChild" means the program described in section 1670 of
this part.

(v) "MiSACWIS" means Michigan statewide automated child
welfare information system.

(w) "PAS/ARR-OBRA" means the preadmission screening and annual
resident review required under the omnibus budget reconciliation
act of 1987, section 1919(e)(7) of the social security act, 42 USC
1396r.

(x) "PFAS" means perfluoroalkyl and polyfluoroalkyl
substances.

(y) "PIHP" means an entity designated by the department as a
regional entity or a specialty prepaid inpatient health plan for
Medicaid mental health services, services to individuals with
developmental disabilities, and substance use disorder services.
Regional entities are described in section 204b of the mental
health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid
inpatient health plans are described in section 232b of the mental
health code, 1974 PA 258, MCL 330.1232b.

(z) "Previous fiscal year" means the fiscal year ending September 30, 2019.

(aa) "Quarterly reports" means 4 reports shall be submitted to the required recipients by the following dates: February 1, April 1, July 1, and September 30 of the current fiscal year.

(bb) "Semiannual basis" means March 1 and September 30 of the current fiscal year.

(cc) "Settlement" means the settlement agreement entered in the case of Dwayne B. v Snyder, docket no. 2:06-cv-13548 in the United States District Court for the Eastern District of Michigan.

(dd) "SSI" means supplemental security income.

(ee) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of subchapter IV of the social security act, 42 USC 601 to 619.

(ff) "Title IV-B" means part B of title IV of the social security act, 42 USC 620 to 629m.

(gg) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 669b.

(hh) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 679c.

(ii) "Title X" means subchapter VIII of the public health service act, 42 USC 300 to 300a-8, which establishes grants to states for family planning services.

Sec. 204. Unless otherwise specified, the departments and agencies receiving appropriations in part 1 shall use the internet to fulfill the reporting requirements of this part and part 1. This
requirement shall include transmission of reports via electronic
mail to the recipients identified for each reporting requirement,
and it shall include placement of reports on the internet.

Sec. 205. Funds appropriated in part 1 shall not be used for
the purchase of foreign goods or services, or both, if
competitively priced and of comparable quality American goods or
services, or both, are available. Preference shall be given to
goods or services, or both, manufactured or provided by Michigan
businesses if they are competitively priced and of comparable
quality. In addition, preference shall be given to goods or
services, or both, that are manufactured or provided by Michigan
businesses owned and operated by veterans if they are competitively
priced and of comparable quality.

Sec. 206. 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.
Each 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.

Sec. 207. The departments and agencies receiving
appropriations in part 1 shall prepare a report on out-of-state
travel expenses not later than January 1 of each year. The travel
report shall be a listing of 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 senate and house appropriations committees, the
house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.
(b) 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.

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:
(a) Fiscal year-to-date expenditures by category.
(b) Fiscal year-to-date expenditures by appropriation unit.
(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
(d) The number of active department employees by job
classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive
budget recommendation, the department shall cooperate with the
state budget office to provide the senate and house appropriations
chairs, the senate and house appropriations subcommittees chairs,
and the senate and house fiscal agencies with an annual report on
estimated state restricted fund balances, state restricted fund
projected revenues, and state restricted fund expenditures for the
previous fiscal year and the current fiscal year.

Sec. 213. The department shall maintain, on a publicly
accessible website, a department scorecard that identifies, tracks,
and regularly updates key metrics that are used to monitor and
improve the department's performance.

Sec. 214. Total authorized appropriations from all sources
under part 1 for legacy costs for the current fiscal year are
estimated at $350,330,100.00. From this amount, total agency
appropriations for pension-related legacy costs are estimated at
$170,303,500.00. Total agency appropriations for retiree health
care legacy costs are estimated at $180,026,600.00.

Sec. 215. If either of the following events occur, within 30
days the department shall notify the state budget director, the
chairs of the house and senate appropriations subcommittees on the
department budget, and the house and senate fiscal agencies and
policy offices of that fact:

(a) A legislative objective of this part or of a bill or
amendment to a bill to amend the social welfare act, 1939 PA 280,
MCL 400.1 to 400.119b, cannot be implemented because implementation would conflict with or violate federal regulations.

(b) A federal grant, for which a notice of an award has been received, cannot be used, or will not be used.

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 fund sources 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.

Sec. 217. (1) By February 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of estimated federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1.

(2) Upon the release of the next fiscal year executive budget recommendation, the department shall report to the same parties in subsection (1) 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
next fiscal year executive budget proposal.

Sec. 218. The department shall include, but not be limited to, the following in its annual list of proposed basic health services as required in part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321:

(a) Immunizations.
(b) Communicable disease control.
(c) Sexually transmitted disease control.
(d) Tuberculosis control.
(e) Prevention of gonorrhea eye infection in newborns.
(f) Screening newborns for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.
(g) Health and human services annex of the Michigan emergency management plan.
(h) Prenatal care.

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 Michigan Public Health Institute to carry out these purposes for up to a 3-year period. The department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director on
or before January 1 of the current fiscal year 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) On or before December 30 of the current fiscal year, 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 the department's budget in the previous fiscal year and allocated to the Michigan Public Health Institute.

Sec. 220. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

Sec. 221. According to section 1b of the social welfare act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this part as a time-limited addendum to the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.
Sec. 222. (1) The department shall make the entire policy and procedures manual available and accessible to the public via the department website.

(2) The department shall report by April 1 of the current fiscal year on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, the senate and house fiscal agencies, and policy offices. The department shall attach each policy bulletin issued during the prior calendar year to this report.

Sec. 223. The department may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees are appropriated when received and 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 department shall not collect fees under this section that exceed the cost of the expenditures. When collected fees are appropriated under this section in an amount that exceeds the current fiscal year appropriation, within 30 days the department shall notify the chairs of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget director of that fact.

Sec. 224. The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied
against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the departmental administration and support appropriation unit.

Sec. 225. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

Sec. 226. 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.

Sec. 227. The state departments, agencies, and commissions receiving tobacco tax funds and Healthy Michigan fund revenue from part 1 shall report by April 1 of the current fiscal year to the
senate and house 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 and a summary of organizations
receiving these funds.

(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 used to evaluate programs, including
measures of the effectiveness of these programs in improving the
health of Michigan residents.

Sec. 228. If the department is authorized under state or
federal law to collect an overpayment owed to the department, the
department may assess a penalty of 1% per month beginning 60 days
after notification. If caused by department error, a penalty may
not be assessed until 6 months after the initial notification date
of the overpayment amount. The department shall not collect penalty
interest in an amount that exceeds the amount of the original
overpayment. The state share of any funds collected under this
section shall be deposited in the state general fund.

Sec. 229. (1) The department shall extend the interagency
agreement with the Michigan talent investment agency for the
duration of the current fiscal year, which concerns TANF funding to
provide job readiness and welfare-to-work programming. The
interagency agreement shall include specific outcome and
performance reporting requirements as described in this section.
TANF funding provided to the Michigan talent investment agency in the current fiscal year is contingent on compliance with the data and reporting requirements described in this section. The interagency agreement must require the Michigan talent investment agency to provide all of the following items by January 1 of the current fiscal year for the previous fiscal year to the senate and house appropriations subcommittees on the department budget and the state budget office:

(a) An itemized spending report on TANF funding, including all of the following:

(i) Direct services to recipients.

(ii) Administrative expenditures.

(b) The number of family independence program (FIP) recipients served through the TANF funding, including all of the following:

(i) The number and percentage who obtained employment through Michigan Works!

(ii) The number and percentage who fulfilled their TANF work requirement through other job readiness programming.

(iii) Average TANF spending per recipient.

(iv) The number and percentage of recipients who were referred to Michigan Works! but did not receive a job or job readiness placement and the reasons why.

(2) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office an annual report on the following matters itemized by Michigan Works!
agency: the number of referrals to Michigan Works! job readiness
programs, the number of referrals to Michigan Works! job readiness
programs who became a participant in the Michigan Works! job
readiness programs, the number of participants who obtained
employment, and the cost per participant case.

Sec. 230. By December 31 of the current fiscal year, the
department shall report to the senate and house appropriations
subcommittees on the department budget, the senate and house fiscal
agencies and policy offices, and the state budget office on the
status of the implementation of any noninflationary, noncaseload,
programmatic funding increases from the previous fiscal year. The
report shall confirm the implementation of already implemented
funding increases and provide explanations for any planned
implementation of funding increases that have not yet occurred. For
any planned implementation of funding increases that have not yet
occurred, the department shall provide an expected implementation
date and the reasons for delayed implementation.

Sec. 231. From the funds appropriated in part 1 for travel
reimbursements to employees, the department shall allocate up to
$100,000.00 toward reimbursing counties for the out-of-pocket
travel costs of the local county department board members and
county department directors to attend 1 meeting per year of the
Michigan County Social Services Association.

Sec. 232. (1) The department shall provide the approved
spending plan for each line item receiving an appropriation in the
current fiscal year to the senate and house appropriations
subcommittees on the department budget and the senate and house

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fiscal agencies within 60 days of approval by the department but not later than January 15 of the current fiscal year. The spending plan shall include the following information regarding planned expenditures for each category: allocation in the previous period, change in the allocation, and new allocation. The spending plan shall include the following information regarding each revenue source for the line item: category of the fund source indicated by general fund/general purpose, state restricted, local, private or federal. Figures included in the approved spending plan shall not be assumed to constitute the actual final expenditures, as line items may be updated on an as-needed basis to reflect changes in projected expenditures and projected revenue. The department shall supplement the spending plan information by providing a list of all active contracts and grants in the department's contract system. For amounts listed in the other contracts category of each spending plan, the department shall provide a list of all contracts and grants and amounts for the current fiscal year, and include the name of the line item and the name of the fund source related to each contract or grant and amount. For amounts listed in the all other costs category of each spending plan, the department shall provide a list detailing planned expenditures and amounts for the current fiscal year, and include the name of the line item and the name of the fund source related to each amount and expenditure.

(2) Notwithstanding any other appropriation authority granted in part 1, the department shall not appropriate any additional general fund/general purpose funds or any related federal and state restricted funds without providing a written 30-day notice to the
senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices.

Sec. 235. (1) The department may work with PIHPs and CMHSPs to create a physical and behavioral health integrated service demonstration pilot without public funds being transferred to for-profit Medicaid health plans. This pilot shall not be contingent on approval of a section 1115 waiver from CMS.

(2) This pilot program, to achieve integrated practices in Michigan, shall demonstrate a successful expansion of existing local and statewide integrated efforts as currently mandated by the department, and shall continue to include care coordination, risk stratification, data sharing, and health care technology. This contractual mandate by the department shall include shared care coordination between PIHP and Medicaid health plans for individuals served by both entities. Care coordination shall be made possible by using health-related information maintained through the department's Care Connect 360 platform and health information exchanges. The PIHP and Medicaid health plans shall meet monthly, as required by the department, to review health information of all jointly served individuals. From this group, those individuals with the greatest level of need shall be identified to receive joint care coordination. The PIHP and Medicaid health plans shall collaborate to develop a shared care plan for each of these individuals.

(3) It is the intent of the legislature that the pilot program shall be designed to last at least 2 years.
(4) The pilot shall increase the number of individuals who meet criteria for expanded care coordination for all individuals on the stratification list provided by the department via the Care Connect 360 platform. In addition, the pilot program shall expand the focus of care coordination to include anyone who is identified as not receiving the health care services as identified by HEDIS, including, but not limited to, the following:

(a) Follow-up after hospitalization.
(b) Plan all cause readmission.
(c) Diabetes screening for people with schizophrenia or bipolar disorder who are using antipsychotic medications.

(5) The primary purpose of the pilot program is to test how the state may better integrate behavioral and physical health delivery systems in order to improve behavioral and physical health outcomes, maximize efficiencies, minimize unnecessary costs, and achieve material increases in behavioral health services without increases in overall Medicaid spending. Specific outcome measurements of the pilot program shall include, but are not limited to, all of the following:

(a) Decreased emergency room visits.
(b) Decreased hospitalizations.
(c) Increased primary care or preventative services.
(d) Increased stable housing.
(e) Increased competitive employment.
(f) Improved HEDIS scores for the measures listed in subsection (4).

(6) Within 90 days after completion of the pilot program
advanced under this section, the PIHP or CMHSP and Medicaid health
plans shall submit a joint report to the senate and house
appropriations subcommittees on the department budget, the senate
and house fiscal agencies, the senate and house policy offices, and
the state budget office detailing their experiences, lessons
learned, the outcomes of the measurements in subsection (5), any
efficiencies and savings revealed for the PIHP or CMHSP and the
Medicaid health plans, and any increases in investment on
behavioral health services from the PIHP or CMHSP and the Medicaid
health plans.

Sec. 250. (1) Beginning October 1 of the current fiscal year
and monthly thereafter, the department shall report to the senate
and house appropriations subcommittees on the department budget,
the senate and house fiscal agencies, and the state budget office
on all of the following:

(a) Fiscal year-to-date information technology spending for
the current fiscal year by service and project and by line-item
appropriation.

(b) Planned information technology spending for the remainder
of the current fiscal year by service and project and by line-item
appropriation.

(c) Total fiscal year-to-date information technology spending
and planned spending for the current fiscal year by service and
project and by line-item appropriation.

(2) As used in subsection (1), "project" means all of, but not
limited to, the following major projects:

(a) Community health automated Medicaid processing system
(b) Bridges and MiBridges eligibility determination.

(c) Michigan statewide automated child welfare information system (MiSACWIS).

(d) Integrated service delivery.

(3) By September 30 of the current fiscal year, the department, in coordination with the department of technology, management, and budget, shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office a financial performance report that includes total information technology expenditures from the previous fiscal year by fund source, total information technology appropriations as a percentage of total department appropriations by fund source, and a return on investment, by project, for all information technology expenditures in the previous fiscal year. The financial performance report shall also include, for the previous 5 fiscal years, the department's information technology spending compared to similar departments in 3 other states located in the Midwest.

Sec. 251. Beginning October 1, of the current fiscal year, and monthly thereafter, the department shall report to the senate and house appropriation subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on any line-item appropriation for which the department estimates total annual expenditures would exceed the funds appropriated for that line-item appropriation by 5% or more. The department shall provide a detailed explanation for any relevant line-item
appropriation exceedance and shall identify the corrective actions undertaken to mitigate line-item appropriation expenditures from exceeding the funds appropriated for that line-item appropriation by a greater amount. This section does not apply for line-item appropriations that are part of the May revenue estimating conference caseload and expenditure estimates.

Sec. 252. The appropriations in part 1 for Healthy Michigan plan - behavioral health, Healthy Michigan plan administration, and Healthy Michigan plan are contingent on the provisions of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were contained in 2013 PA 107 not being amended, repealed, or otherwise altered to eliminate the Healthy Michigan plan. If that occurs, then, upon the effective date of the amendatory act that amends, repeals, or otherwise alters those provisions, the remaining funds in the Healthy Michigan plan - behavioral health, Healthy Michigan plan administration, and Healthy Michigan plan line items shall only be used to pay previously incurred costs and any remaining appropriations shall not be allotted to support those line items.

Sec. 253. (1) The department shall implement information technology investment management practices that use recommendations from the office of the auditor general audit number 071-0550-17. The department shall form a department-based information technology investment board (IT investment board). The IT investment board shall include the director, the deputy director with information technology responsibilities, the deputy director with budgetary and financial responsibilities, and senior leadership from each administration or agency within the department that uses a system
or program that is included in the funds appropriated in part 1.
The IT investment board shall create a board charter that directs
the department's information technology investment management
practices. The IT investment board shall implement the publication
"Information Technology Investment Management: A Framework for
Assessing and Improving Process Maturity" from the United States
Government Accountability office as the policy for the department's
information technology investment decisions. The department, in
consultation with the IT investment board, shall develop policies
that include, but are not limited to, the following:

(a) The roles and responsibilities that department staff have
in making information technology investment decisions.

(b) The criteria, policies, and best practices for selecting,
controlling, and evaluating information technology investments. The
criteria, policies, and best practices shall include a return on
investment to evaluate the funds appropriated in part 1 for
information technology.

(c) The authority the department has in determining
information technology investment decisions that are not made
within the department of technology, management, and budget.

(d) Policies to manage information technology investment
decisions that have a high cost or are considered a high risk to
the department to reduce the possibility that information
technology expenditures will exceed the funds appropriated in part
1 for information technology.

(2) By October 1 of the current fiscal year, the department
shall submit to the senate and house appropriations subcommittees
on the department budget, the senate and house fiscal agencies, and
the senate and house policy offices, a report with a copy of the IT
investment board charter and a list of all information technology
projects in which the funds appropriated in part 1 exceed
$500,000.00 for the current fiscal year.

(3) By September 30 of the current fiscal year, the department
shall submit to the senate and house appropriations subcommittees
on the department budget, the senate and house fiscal agencies, and
the senate and house policy offices, a report, for any information
technology project that exceeded $500,000.00, on the business needs
met by each project, the selection process used to select the
project, the documentation of the IT investment board oversight and
approval of the project, total project development cost, total
project operational and maintenance cost, total state cost, total
contractor cost, total non-labor cost, and the total cost of
ownership of the project through the current fiscal year.

(4) From the funds appropriated in part 1 and all available
federal funds for information technology services and projects, the
department shall contract with an independent verification
validation program to address the increasing information technology
cost and to ensure that information technology contracts are
meeting the policies and objectives stated in subsection (1). By
November 1 of the current fiscal year, the department shall
institute an independent verification validation program by using a
third-party vendor who has been approved on the state's financial
accounting and auditing services prequalification program. The
independent verification validation program vendor that is selected
to perform independent verification validation services shall not be involved in the development of software or systems that are used by the department or are under consideration to be used by the department. The independent verification validation program vendor selected shall have experience in information technology development methodologies including information technology development modalities such as: waterfall, agile, and scale agile. The vendor selected shall apply information technology industry audit standards and audit credentials and shall have an established advisory business unit.

(5) The independent verification validation program shall be applied to information technology projects that have funds appropriated in part 1 with a contract value greater than $500,000.00 that meet at least 1 of the following criteria:

(a) The project spans across more than 1 administration or agency.

(b) The project involves multiple vendors.

(c) The project has an aggressive schedule.

(d) The impact is high if the project were to fail or be delayed.

(6) The independent verification validation program shall design compliance of program governance, project management, and technical delivery requirements. Additionally, the independent verification validation program vendor selected shall use information technology practices such as robotic process automation and analytics to enable real-time identification of risks and issues.
(7) By March 1 of the current fiscal year, the department, along with the selected independent verification validation vendor, shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and senate and house policy offices on an assessment of the findings of the independent verification validation program and recommendations for improvements. The report shall include, but not be limited to, the following items:

(a) Compliance with federal reporting requirements.

(b) Demonstration of earlier identification and resolution of project risks.

(c) The capacity to achieve a positive return on investment from information technology investments.

(d) The potential for accelerated time to benefit realization and increased benefit sustainability.

(e) Improved transparency of information technology project benefits and financial measures.

(f) A reduction in variability in the development and system integration process that will lead to more predictable outcomes of information technology expenditures and information technology project performance.

(g) Identification and transfer of leading industry practices for improved effectiveness and efficiency.

Sec. 256. If funds become available, the department shall, in consultation with the Michigan department of education, the Michigan domestic and sexual violence prevention and treatment board, and the Michigan Coalition to End Domestic and Sexual
Violence, redraft the curriculum for the "Growing Up & Staying Healthy" and "Healthy & Responsible Relationships" modules to include age-appropriate information about the importance of consent, setting and respecting personal boundaries, and the prevention of child sexual abuse as outlined in MCL 380.1505 and consistent with the recommendations and guidelines set by the task force on the prevention of sexual abuse of children created under section 12b of the child protection law, 1975 PA 238, MCL 722.632b, and the prevention of sexual assault and dating violence.

Sec. 257. The department shall, in consultation with the Michigan department of education, the American Foundation of Suicide Prevention, the National Alliance on Mental Illness, the Michigan Psychiatric Society, the Community Mental Health Association, and members of law enforcement, redraft the curriculum for the "Safe and Sound for Life" and "Social & Emotional Health" modules to include age-appropriate and medically accurate information about the warning signs and risk factors for suicide and depression, and the protective factors that help prevent suicide as outlined in MCL 380.1171.

Sec. 263. (1) Except as otherwise provided in this subsection, before submission of a waiver, a state plan amendment, or a similar proposal to CMS or other federal agency, the department shall provide written notification of the planned submission to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget office. This subsection does not apply to the submission of a waiver, a state plan amendment, or similar proposal that does not propose a material change or is outside of the ordinary course of waiver, state plan amendment, or similar proposed submissions.

(2) The department shall provide written reports on a semiannual basis to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office summarizing the status of any new or ongoing discussions with CMS or the United States Department of Health and Human Services or other federal agency regarding potential or future waiver applications as well as the status of...
submitted waivers that have not yet received federal approval. If, at the time a semiannual report is due, there are no reportable items, then no report is required to be provided.

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 270. The department shall advise the legislature of the receipt of a notification from the attorney general's office of a legal action in which expenses had been recovered according to section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106.

By February 1 of the current fiscal year, the department shall submit a written report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office that 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.

Sec. 274. (1) The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices 1 week after the day the governor submits to the legislature the budget for the
ensuing fiscal year a report on spending and revenue projections for each of the capped federal funds listed below. The report shall contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections within the executive budget proposal for the fiscal year beginning October 1, 2020 for each individual line item for the department budget. The report shall also include federal funds transferred to other departments. The capped federal funds shall include, but not be limited to, all of the following:

(a) TANF.
(b) Title XX social services block grant.
(c) Title IV-B part I child welfare services block grant.
(d) Title IV-B part II promoting safe and stable families funds.
(e) Low-income home energy assistance program.

(2) It is the intent of the legislature that the department, in collaboration with the state budget office, not utilize capped federal funding for economics adjustments for FTEs or other economics costs that are included as part of the budget submitted to the legislature by the governor for the ensuing fiscal year, unless there is a reasonable expectation for increased federal funding to be available to the department from that capped revenue source in the ensuing fiscal year.

(3) By February 15 of the current fiscal year, the department shall prepare an annual report of its efforts to identify additional TANF maintenance of effort sources and rationale for any
increases or decreases from all of the following, but not limited to:

(a) Other departments.
(b) Local units of government.
(c) Private sources.

Sec. 275. (1) As part of the year-end closing process, the department, with the approval of the state budget director, is authorized to realign sources between other federal, TANF, and capped federal financing authorizations in order to maximize federal revenues. This realignment of financing shall not produce a gross increase or decrease in the department's total individual line item authorizations, nor will it produce a net increase or decrease in total federal revenues, or a net increase in TANF authorization.

(2) Within 30 days of the date on which year-end book closing is completed, the department shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices a report on the realignment of federal fund sources that took place as part of the year-end closing process for the previous fiscal year.

Sec. 279. (1) All master contracts relating to foster care and adoption services as funded by the appropriations in section 105 of part 1 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided.
By February 1 of the current fiscal year, the department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

Sec. 280. By March 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director that provides all of the following for each line item in part 1 containing personnel-related costs, including the specific individual amounts for salaries and wages, payroll taxes, and fringe benefits:

(a) FTE authorization.
(b) Spending authorization for personnel-related costs, by fund source, under the spending plan.
(c) Actual year-to-date expenditures for personnel-related costs, by fund source, through the end of the prior month.
(d) The projected year-end balance or shortfall for personnel-related costs, by fund source, based on actual monthly spending levels through the end of the prior month.
(e) A specific plan for addressing any projected shortfall for personnel-related costs at either the gross or fund source level.

Sec. 288. (1) Beginning October 1 of the current fiscal year, no less than 90% of a new department contract supported solely from
state restricted funds or general fund/general purpose funds and
designated in this part or part 1 for a specific entity for the
purpose of providing services to individuals shall be expended for
such services after the first year of the contract.

(2) The department may allow a contract to exceed the
limitation on administrative and services costs if it can be
demonstrated that an exception should be made to the provision in
subsection (1).

(3) By September 30 of the current fiscal year, the department
shall report to the house and senate appropriations subcommittees
on the department budget, house and senate fiscal agencies, and
state budget office on the rationale for all exceptions made to the
provision in subsection (1) and the number of contracts terminated
due to violations of subsection (1).

Sec. 289. By March 1 of the current fiscal year, the
department shall provide to the senate and house appropriations
subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices an annual report
on the supervisor-to-staff ratio by department divisions and
subdivisions.

Sec. 290. Any public advertisement for public assistance shall
also inform the public of the welfare fraud hotline operated by the
department.

Sec. 295. (1) From the funds appropriated in part 1 to
agencies providing physical and behavioral health services to
multicultural populations, the department shall award grants in
accordance with the requirements of subsection (2). The state is
not liable for any spending above the contract amount. Funds shall not be released until reporting requirements under section 295 of article X of 2018 PA 207 are satisfied.

(2) The department shall require each contractor described in subsection (1) that receives greater than $1,000,000.00 in state grant funding to comply with performance-related metrics to maintain their eligibility for funding. The organizational metrics shall include, but not be limited to, all of the following:

(a) Each contractor or subcontractor shall have accreditations that attest to their competency and effectiveness as behavioral health and social service agencies.

(b) Each contractor or subcontractor shall have a mission that is consistent with the purpose of the multicultural agency.

(c) Each contractor shall validate that any subcontractors utilized within these appropriations share the same mission as the lead agency receiving funding.

(d) Each contractor or subcontractor shall demonstrate cost-effectiveness.

(e) Each contractor or subcontractor shall ensure their ability to leverage private dollars to strengthen and maximize service provision.

(f) Each contractor or subcontractor shall provide timely and accurate reports regarding the number of clients served, units of service provision, and ability to meet their stated goals.

(3) The department shall require an annual report from the contractors described in subsection (2). The annual report, due 60 days following the end of the contract period, shall include
specific information on services and programs provided, the client base to which the services and programs were provided, information on any wraparound services provided, and the expenditures for those services. The department shall provide the annual reports to the senate and house appropriations subcommittees on health and human services, the senate and house fiscal agencies, and the state budget office.

Sec. 296. From the funds appropriated in part 1, the department is responsible for the necessary and reasonable attorney fees and costs incurred by private and independent legal counsel chosen by current and former classified and unclassified department employees in the defense of the employees in any state or federal lawsuit or investigation related to the water system in a city or community in which a declaration of emergency was issued because of drinking water contamination.

Sec. 297. On a semiannual basis, the department shall report on the number of FTEs in pay status by type of staff. The report shall include a comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTEs employed by the department at the end of the reporting period.

Sec. 298. (1) The department shall continue to implement up to 3 pilot projects to achieve fully financially integrated Medicaid behavioral health and physical health benefit and financial integration demonstration models. These demonstration models shall use single contracts between the state and each licensed Medicaid health plan that is currently contracted to provide Medicaid
services in the geographic area of the pilot project. The
department shall ensure that the pilot projects described in this
subsection are implemented in a manner that ensures at least all of
the following:

(a) That allows the CMHSP in the geographic area of the pilot
project to be a provider of behavioral health supports and
services. The department shall define specific criteria relating to
CMHSP "willingness" and "capacity" to provide the full array of
services required by section 116 of the mental health code, 1974 PA
258, MCL 330.1116. These criteria shall include service
accessibility, quality, and reasonable cost. Contracts between the
department and the Medicaid health plans must require that the
Medicaid health plans contract with CMHSPs, unless the CMHSP
permits contracting outside the CMHSP network. If a CMHSP does not
meet the willingness and capacity criteria, the department shall
allow the Medicaid health plans to contract outside the CMHSP
network for those services. Contracts outside the CMHSP network
shall be required to meet statutory, regulatory, and contractual
requirements currently in place.

(b) That any changes made to a Medicaid waiver or Medicaid
state plan to implement the pilot projects described in this
subsection must only be in effect for the duration of the pilot
programs established under section 298 of article X of 2016 PA 268.

(c) That the project is consistent with the stated core values
as identified in the final report of the workgroup established in
section 298 of article X of 2016 PA 268.

(d) That updates are provided to the medical care advisory
council, behavioral health advisory council, and developmental
disabilities council.

(2) It is the intent of the legislature that each pilot
project and demonstration model shall be designed to last at least
3 years. It is the intent of the legislature that by January 31,
2021, the department shall provide a document to the senate and
house appropriations subcommittees on the department budget, the
senate and house fiscal agencies, the senate and house policy
offices, and the state budget office of the results of measures
developed in conjunction with the Medicaid health plans and CMHSPs
participating in the pilot program described in subsection (1)
that, if met, would trigger a full statewide, all managed care
populations' integration process beginning October 1, 2022. The
measures developed by the department, Medicaid health plans, and
CMHSPs must include, at a minimum, performance metrics from each of
the following categories:

(a) Improvement of the coordination between behavioral health
and physical health.

(b) Improvement of services available to individuals with
mental illness, intellectual or developmental disabilities, or
substance use disorders.

(c) Benefits associated with full access to community-based
services and supports.

(d) Beneficiary health status.

(e) Beneficiary satisfaction.

(f) Provider network stability.

(g) Treatment and service efficacies before and during the
pilot programs and demonstration pilot, including utilization measures.

(h) Use of best practices.

(i) Financial efficiencies.

(j) Barriers to clinical data sharing between CMHSPs and Medicaid health plans.

(k) Any other relevant categories.

(3) For the duration of any pilot projects and demonstration model, the department shall require that contracts between CMHSPs and the Medicaid health plans within their pilot region mandate that any and all realized benefits and cost savings of integrating the physical health and behavioral health systems shall be reinvested in services and supports for individuals having or at risk of having a mental illness, an intellectual or developmental disability, or a substance use disorder. Any and all realized benefits and cost savings shall be specifically reinvested in the pilot site where the savings occurred in accordance with the Medicaid state plan and any applicable Medicaid waiver.

(4) It is the intent of the legislature that the primary purpose of the pilot projects and demonstration model is to test how the state may better integrate behavioral and physical health delivery systems in order to improve behavioral and physical health outcomes, maximize efficiencies, minimize unnecessary costs, and achieve material increases in behavioral health services without increases in overall Medicaid spending.

(5) The department shall continue to partner with 1 of the state's research universities at least 6 months before the
completion of each pilot project or demonstration model authorized under this section to evaluate the pilot project or demonstration model. The evaluation must include all of the following:

(a) Information on the pilot project's or demonstration model's success in meeting the performance metrics developed in this subsection and information on whether the pilot project could be replicated into other geographic areas with similar performance metric outcomes.

(b) Performance metrics, at a minimum, from each of the following categories:

(i) Improvement of the coordination between behavioral health and physical health.

(ii) Improvement of services available to individuals with mental illness, intellectual or developmental disabilities, or substance use disorders.

(iii) Benefits associated with full access to community-based services and supports.

(iv) Beneficiary health status.

(v) Beneficiary satisfaction.

(vi) Provider network stability.

(vii) Treatment and service efficacies before and after the pilot projects and demonstration model.

(viii) Use of best practices.

(ix) Financial efficiencies.

(x) Barriers to clinical data sharing with Medicaid health plans.

(xi) Any other relevant categories.
(c) A requirement that the evaluation shall be completed within 6 months after the end of each pilot project or demonstration model and will be provided to the department, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office.

(6) By November 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the progress toward implementation of the pilot projects and demonstration model described in this section, and a summary of all projects. The report shall also include information on policy changes and any other efforts made to improve the coordination of supports and services for individuals having or at risk of having a mental illness, an intellectual or developmental disability, a substance use disorder, or a physical health need.

(7) Upon completion of any pilot project or demonstration model advanced under this section, the managing entity of the pilot project or demonstration model shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office within 30 days of completion of that pilot project or demonstration model detailing their experience, lessons learned, efficiencies and savings revealed, increases in investment on behavioral health services, and recommendations for extending pilot projects to full implementation.
Sec. 299. (1) No state department or agency shall issue a request for proposal (RFP) for a contract in excess of $5,000,000.00, unless the department or agency has first considered issuing a request for information (RFI) or a request for qualification (RFQ) relative to that contract to better enable the department or agency to learn more about the market for the products or services that are the subject of the RFP. The department or agency shall notify the department of technology, management, and budget of the evaluation process used to determine if an RFI or RFQ was not necessary prior to issuing the RFP.

(2) From funds appropriated in part 1, for all RFPs issued during the current fiscal year where an existing service received proposals by multiple vendors, the department shall notify all vendors within 30 days of the RFP decision. The notification to vendors shall include details on the RFP process, including the respective RFP scores and the respective cost for each vendor. If the highest scored RFP or lowest cost RFP does not receive the contract for an existing service offered by the department, the notification shall issue an explanation for the reasons that the highest scored RFP or lowest cost RFP did not receive the contract and detail the incremental cost target amount or service level required that was required to migrate the service to a new vendor. Additionally, the department shall include in the notification details as to why a cost or service difference is justifiable if the highest scored or lowest cost vendor does not receive the contract.
(3) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by September 30 of the current fiscal year a report that summarizes all RFPs during the current fiscal year where an existing service received proposals by multiple vendors. The report shall list all finalized RFPs where there was a divergence from awarding the contract to the lowest cost or highest scoring vendor. The report shall also include the cost or service threshold required by department policy that must be satisfied in order for an existing contract to be received by a new vendor.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 307. (1) From the funds appropriated in part 1 for demonstration projects, $950,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Funds distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the funds only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in
January 2005.

(3) Michigan 2-1-1 shall refer to the department any calls received reporting fraud, waste, or abuse of state-administered public assistance.

(4) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, including, but not limited to, call volume by health and human service needs and unmet needs identified through caller data and number and percentage of callers referred to public or private provider types.

Sec. 316. From the funds appropriated in part 1 for terminal leave payments, the department shall not spend in excess of its annual gross appropriation unless it identifies and requests a legislative transfer from another budgetary line item supporting administrative costs, as provided by section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 317. From the funds appropriated in part 1 for developmental disabilities council and projects, $100.00 is appropriated to support the objectives stated in Executive Order No. 2015-15, by providing the service provider community with technical assistance in the process of provider transformation among community rehabilitation organizations and restructuring the reimbursement rates for employment supports and services among those who provide job preparation, job placement, and job retention
supports and services. Additionally, the department shall ensure technical assistance to promote seamless transition outcomes from education to employment for individuals with disabilities and providing education and outreach to clients and their families, including information on benefits coordination and planning for the promotion of successful employment outcomes.

Sec. 333. From the funds appropriated in part 1 for community services and outreach administration, $100.00 shall be awarded to a nonprofit organization that currently provides career connections, food distribution, and community building throughout the state in order to support workforce program and training activities in multiple cities and has a spending and operation plan developed by April 1, 2017 in consultation with Michigan businesses and the Michigan economic development corporation.

CHILD SUPPORT ENFORCEMENT

Sec. 401. (1) The appropriations in part 1 assume a total federal child support incentive payment of $26,000,000.00.

(2) From the federal money received for child support incentive payments, $11,500,000.00 shall be retained by the state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, $14,500,000.00 shall be paid to counties based on each county's performance level for each of the federal performance measures as established in 45 CFR 305.2.

(4) If the child support incentive payment to the state from the federal government is greater than $26,000,000.00, then 100% of
the excess shall be retained by the state and is appropriated until
the total retained by the state reaches $15,397,400.00.

(5) If the child support incentive payment to the state from
the federal government is greater than the amount needed to satisfy
the provisions identified in subsections (1), (2), (3), and (4),
the additional funds shall be subject to appropriation by the
legislature.

(6) If the child support incentive payment to the state from
the federal government is less than $26,000,000.00, then the state
and county share shall each be reduced by 50% of the shortfall.

Sec. 409. (1) If statewide retained child support collections
exceed $38,300,000.00, 75% of the amount in excess of
$38,300,000.00 is appropriated to legal support contracts. This
excess appropriation may be distributed to eligible counties to
supplement and not supplant county title IV-D funding.

(2) Each county whose retained child support collections in
the current fiscal year exceed its fiscal year 2004-2005 retained
child support collections, excluding tax offset and financial
institution data match collections in both the current fiscal year
and fiscal year 2004-2005, shall receive its proportional share of
the 75% excess.

Sec. 410. (1) If title IV-D-related child support collections
are escheated, the state budget director is authorized to adjust
the sources of financing for the funds appropriated in part 1 for
legal support contracts to reduce federal authorization by 66% of
the escheated amount and increase general fund/general purpose
authorization by the same amount. This budget adjustment is
required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

(2) The department shall notify the chairs of the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies within 15 days of the authorization adjustment in subsection (1).

Sec. 411. From funds appropriated in part 1 for child support incentive payments, the department shall allocate 100% of the Medicaid cash medical support incentive to counties and shall not consider incentive payments as program income for purposes of the office of child support program.

COMMUNITY SERVICES AND OUTREACH

Sec. 450. (1) From the funds appropriated in part 1 for school success partnership program, the department shall allocate $525,000.00 by December 1 of the current fiscal year to support the Northeast Michigan Community Service Agency programming, which will take place in each county in the Governor's Prosperity Region 3. The department shall require the following performance objectives be measured and reported for the duration of the state funding for the school success partnership program:

(a) Increasing school attendance and decreasing chronic absenteeism.

(b) Increasing academic performance based on grades with emphasis on math and reading.

(c) Identifying barriers to attendance and success and
(d) Increasing parent involvement with the parent's child's school and community.

(2) On a semiannual basis, the Northeast Michigan Community Service Agency shall provide reports to the department on the number of children and families served and the services that were provided to families to meet the performance objectives identified in this section. The department shall distribute the reports within 1 week after receipt to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 452. From the funds appropriated in part 1 for crime victim justice assistance grants, the department shall continue to support forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. The funds shall be used for program coordination and training.

Sec. 453. From the funds appropriated in part 1 for homeless programs, the department shall maintain emergency shelter program per diem rates at $16.00 per bed night to support efforts of shelter providers to move homeless individuals and households into permanent housing as quickly as possible. Expected outcomes are increased shelter discharges to stable housing destinations, decreased recidivism rates for shelter clients, and a reduction in the average length of stay in emergency shelters.

Sec. 454. The department shall allocate the full amount of funds appropriated in part 1 for homeless programs to provide...
services for homeless individuals and families, including, but not
limited to, third-party contracts for emergency shelter services.

Sec. 455. As a condition of receipt of federal TANF funds,
homeless shelters and human services agencies shall collaborate
with the department to obtain necessary TANF eligibility
information on families as soon as possible after admitting a
family to the homeless shelter. From the funds appropriated in part
1 for homeless programs, the department is authorized to make
allocations of TANF funds only to the homeless shelters and human
services agencies that report necessary data to the department for
the purpose of meeting TANF eligibility reporting requirements.
Homeless shelters or human services agencies that do not report
necessary data to the department for the purpose of meeting TANF
eligibility reporting requirements will not receive reimbursements
that exceed the per diem amount they received in fiscal year 2000.
The use of TANF funds under this section is not an ongoing
commitment of funding.

Sec. 456. From the funds appropriated in part 1 for homeless
and housing programs, the department shall allocate $90,000.00 to
reimburse public service agencies that provide documentation of
paying birth certificate fees on behalf of category 1 homeless
clients at county clerk's offices. Public service agencies shall be
reimbursed for the cost of the birth certificate fees quarterly
until this allocation is fully spent.

Sec. 457. (1) From the funds appropriated in part 1 for the
uniform statewide sexual assault evidence kit tracking system, in
accordance with the final report of the Michigan sexual assault
evidence kit tracking and reporting commission, $800,000.00 is allocated from the sexual assault evidence tracking fund to contract for implementation of a uniform statewide sexual assault evidence kit tracking system. The system shall include the following:

(a) A uniform statewide system to track the submission and status of sexual assault evidence kits.

(b) A uniform statewide system to audit untested kits that were collected on or before March 1, 2015 and were released by victims to law enforcement.

(c) Secure electronic access for victims.

(d) The ability to accommodate concurrent data entry with kit collection through various mechanisms, including web entry through computer or smartphone, and through scanning devices.

(2) By March 30 of the current fiscal year, the department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a status report on implementation and operation of the uniform statewide sexual assault evidence kit tracking system, including operational status and any known issues regarding implementation.

(3) The sexual assault evidence tracking fund established in section 1451 of 2017 PA 158 shall continue to be maintained in the department of treasury. Money in the sexual assault evidence tracking fund at the close of a fiscal year shall remain in the sexual assault evidence tracking fund and shall not revert to the general fund and shall be appropriated as provided by law for the
development and implementation of a uniform statewide sexual
assault evidence kit tracking system as described in subsection
(1).

(4) By September 30 of the current fiscal year, the department
shall submit to the senate and house appropriations subcommittees
on the department budget, the senate and house fiscal agencies, the
senate and house policy offices, and the state budget office a
report on the findings of the annual audit of the proper submission
of sexual assault evidence kits as required by the sexual assault
kit evidence submission act, 2014 PA 227, MCL 752.931 to 752.935.
The report must include, but is not limited to, a detailed county-
by-county compilation of the number of sexual assault evidence kits
that were properly submitted and the number that met or did not
meet deadlines established in the sexual assault kit evidence
submission act, 2014 PA 227, MCL 752.931 to 752.935, the number of
sexual assault evidence kits retrieved by law enforcement after
analysis, and the physical location of all released sexual assault
evidence kits collected by health care providers in that year, as
of the date of the annual draft report for each reporting agency.

Sec. 458. From the funds appropriated in part 1 for crime
victim rights services grants, the department shall allocate
$2,000,000.00 of crime victim's rights fund to increase grant
funding to support the further use of crime victim advocates in the
criminal justice system. The purpose of the additional funding is
to increase available grant funding for crime victim advocates to
ensure that the advocates have the resources, training, and funding
needed to respond to the physical and emotional needs of crime
victims and to provide victims with the necessary services, information, and assistance in order to help them understand and participate in the criminal justice system and experience a measure of safety and security throughout the legal process.

Sec. 459. (1) Funding appropriated in part 1 for campus sexual assault prevention and education initiative shall be used to provide and administer grants to public or nonpublic community colleges, colleges, universities, and high schools with a physical presence in this state to address campus sexual assault issues in order to improve the safety and security of students, faculty, and staff in campus environments in this state.

(2) Grant funds awarded shall support sexual assault programs, including education, awareness, prevention, reporting, bystander intervention programs, peer advocacy groups, and student organizations dedicated to campus sexual assault prevention and other actions covered by title IX protections.

(3) The department shall report on grant activities to the senate and house appropriations subcommittees on the department budget, the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, and the state budget office by February 28, 2020.

(4) The unexpended portion of funds appropriated in part 1 for the campus sexual assault prevention and education initiative is designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for the project under this section until the project has been completed. The following is in
compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide grants for sexual assault education, awareness, prevention, reporting, bystander intervention programs, peer advocacy groups, and student organizations dedicated to campus sexual assault prevention and other actions covered by title IX protections. The student organizations may be provided funds to support and develop advocacy groups and act on issues related to prevention of sexual assault, including, but not limited to, student outreach, supporting survivors of sexual assault, and advocating for campus improvements such as additional lighting.

(b) The project will be accomplished by grants to eligible community colleges, colleges, universities, and high schools.

(c) The total estimated cost of the project is $1,321,700.00.

(d) The estimated completion date is September 30, 2024.

CHILDREN'S SERVICES AGENCY - CHILD WELFARE

Sec. 501. (1) A goal is established that not more than 25% of all children in foster care at any given time during the current fiscal year, if in the best interest of the child, will have been in foster care for 24 months or more.

(2) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report describing the steps that will be taken to achieve the
specific goal established in this section and on the percentage of children who currently are in foster care and who have been in foster care a total of 24 or more months.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. (1) In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall continue to review, update, or develop actuarially sound case rates for necessary child welfare foster care case management services that achieve permanency by the department and private child placing agencies in a prospective payment system under a performance-based funding model.

(2) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations committees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office a report on the full cost analysis of the performance-based funding model. The report shall include background information on the project and give details about the contractual costs covered through the case rate.

(3) In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall continue an independent, third-party evaluation of the performance-
The department shall only implement the performance-based funding model into additional counties where the department, private child welfare agencies, the county, and the court operating within that county have signed a memorandum of understanding that incorporates the intentions of the concerned parties in order to implement the performance-based funding model.

The department, in conjunction with members from both the house of representatives and senate, private child placing agencies, the courts, and counties shall continue to implement the recommendations that are described in the workgroup report that was provided in section 503 of article X of 2013 PA 59 to establish a performance-based funding for public and private child welfare services providers. The department shall provide quarterly reports on the status of the performance-based contracting model to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.

From the funds appropriated in part 1 for the performance-based funding model pilot, the department shall continue to work with the West Michigan Partnership for Children Consortium on the implementation of the performance-based funding model pilot. The consortium shall accept and comprehensively assess referred youth, assign cases to members of its continuum or leverage services from other entities, and make appropriate case management decisions during the duration of a case. The consortium shall operate an
integrated continuum of care structure, with services provided by both private and public agencies, based on individual case needs. The consortium shall demonstrate significant organizational capacity and competencies, including experience with managing risk-based contracts, financial strength, experienced staff and leadership, and appropriate governance structure.

Sec. 504. (1) The department may continue a master agreement with the West Michigan Partnership for Children Consortium for a performance-based child welfare contracting pilot program. The consortium shall consist of a network of affiliated child welfare service providers that will accept and comprehensively assess referred youth, assign cases to members of its continuum or leverage services from other entities, and make appropriate case management decisions during the duration of a case.

(2) The consortium shall operate an integrated continuum of care structure, with services provided by private or public agencies, based on individual case needs.

(3) By March 1 of the current fiscal year, the consortium shall provide to the department and the house and senate appropriations subcommittees on the department budget a report on the consortium, including, but not limited to, actual expenditures, number of children placed by agencies in the consortium, fund balance of the consortium, and the status of the consortium evaluation.

Sec. 505. (1) From the funds appropriated in part 1 for county child care fund by October 1 of the current fiscal year, the department and Wayne County shall provide to the senate and house
appropriations subcommittees on the department budget, the senate
and house fiscal agencies and policy offices, and the state budget
office a report for youth referred or committed to the department
for care or supervision in the previous fiscal year outlining the
number of youth served by the department within the juvenile
justice system, the type of setting for each youth, performance
outcomes, and financial costs or savings.

(2) The department shall not allocate funds appropriated in
part 1 for county child care fund to the county identified in
subsection (1) until the reporting requirements in subsection (1)
are satisfied.

Sec. 507. The department's ability to satisfy appropriation
deducts in part 1 for foster care private collections shall not be
limited to collections and accruals pertaining to services provided
only in the current fiscal year but may include revenues collected
during the current fiscal year for services provided in prior
fiscal years.

Sec. 508. (1) In addition to the amount appropriated in part 1
for children's trust fund grants, money granted or money received
as gifts or donations to the children's trust fund created by 1982
PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

(2) The department and the child abuse and neglect prevention
board shall collaborate to ensure that administrative delays are
avoided and the local grant recipients and direct service providers
receive money in an expeditious manner. The department and board
shall make available the children's trust fund contract funds to
grantees within 31 days of the start date of the funded project.
Sec. 511. The department shall provide reports on a semiannual basis to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on the number and percentage of children who received an initial medical and mental health examination within 30 days after entry into foster care. The goal of the program is that at least 85% of children receive timely physical and mental health examinations after entry into foster care.

Sec. 512. (1) As required by the settlement, by March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the following information for cases of child abuse or child neglect from the previous fiscal year:

(a) The total number of relative care placements.
(b) The total number of relatives with a placement who became licensed.
(c) The number of waivers of foster care licensure granted to relative care providers.
(d) The number of waivers of foster care denied to relative care providers.
(e) A list of the reasons from a sample of cases the department denied granting a waiver of foster care licensure for a relative care provider.
(f) A list of the reasons from a sample of cases where relatives were declined foster care licensure as documented by the department.

(2) The caseworker shall request a waiver of foster care licensure if both of the following apply:
   (a) The caseworker has fully informed the relative of the benefits of licensure and the option of a licensure waiver.
   (b) The caseworker has assessed the relative and the relative's home using the department's initial relative safety screen and the department's relative home assessment and has determined that the relative's home is safe and placement there is in the child's best interest.

Sec. 513. (1) The department shall not expend funds appropriated in part 1 to pay for the direct placement by the department of a child in an out-of-state facility unless all of the following conditions are met:
   (a) There is no appropriate placement available in this state as determined by the department interstate compact office.
   (b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement as determined by the department interstate compact office.
   (c) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
   (d) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
   (e) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, reviewed licensing
records and reports on the facility, and believes that the facility
is an appropriate placement for the child.

(2) The department shall not expend money for a child placed
in an out-of-state facility without approval of the executive
director of the children's services agency.

(3) The department shall submit an annual report to the state
court administrative office, the house and senate appropriations
subcommittees on the department budget, the house and senate fiscal
agencies, the house and senate policy offices, and the state budget
office on the number of Michigan children residing in out-of-state
facilities on the last day of the previous fiscal year, the total
cost and average per diem cost of these out-of-state placements to
this state, and a list of each such placement arranged by the
Michigan county of residence for each child.

Sec. 514. The department shall make a comprehensive report
concerning children's protective services (CPS) to the legislature,
including the senate and house policy offices and the state budget
director, by March 1 of the current fiscal year, that shall include
all of the following:

(a) Statistical information including, but not limited to, all
of the following:

(i) The total number of reports of child abuse or child
neglect investigated under the child protection law, 1975 PA 238,
MCL 722.621 to 722.638, and the number of cases classified under
category I or category II and the number of cases classified under
category III, category IV, or category V.

(ii) Characteristics of perpetrators of child abuse or child
neglect and the child victims, such as age, relationship, race, and ethnicity and whether the perpetrator exposed the child victim to drug activity, including the manufacture of illicit drugs, that exposed the child victim to substance abuse, a drug house, or methamphetamine.

(iii) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

(iv) The number of cases that resulted in the separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.

(v) For the reported complaints of child abuse or child neglect by teachers, school administrators, and school counselors, the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(vi) For the reported complaints of child abuse or child neglect by teachers, school administrators, and school counselors, the number of cases that resulted in separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.

(b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period. The report shall
also include a summary of the actions undertaken and applicable expenditures to achieve compliance with the office of the auditor general audit number 431-1285-16.

(c) Statistical information regarding families that were classified in category III, including, but not limited to, all of the following:

(i) The total number of cases classified in category III.

(ii) The number of cases in category III referred to voluntary community services and closed with no additional monitoring.

(iii) The number of cases in category III referred to voluntary community services and monitored for up to 90 days.

(iv) The number of cases in category III for which the department entered more than 1 determination that there was evidence of child abuse or child neglect.

(v) The number of cases in category III that the department reclassified from category III to category II.

(vi) The number of cases in category III that the department reclassified from category III to category I.

(vii) The number of cases in category III that the department reclassified from category III to category I that resulted in a removal.

(d) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 516. From funds appropriated in part 1 for county child care fund, the administrative or indirect cost payment equal to 10% of a county's total monthly gross expenditures shall be distributed
to the county on a monthly basis and a county is not required to submit documentation to the department for any of the expenditures that are covered under the 10% payment as described in section 117a(4)(b)(ii) and (iv) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 517. The department shall retain the same title IV-E appeals policy in place as of the fiscal year ending September 30, 2017.

Sec. 519. The department shall permit any private agency that has an existing contract with this state to provide foster care services to be also eligible to provide treatment foster care services.

Sec. 520. The department shall submit a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office by February 15 of the current fiscal year on the number of days of care and expenditures by funding source for the previous fiscal year for out-of-home placements by specific placement programs for child abuse or child neglect and juvenile justice, including, but not limited to, paid relative placement, department direct family foster care, private agency supervised foster care, private child caring institutions, county-supervised facilities, court-supervised facilities, and independent living. The report shall also include the number of days of care for department-operated residential juvenile justice facilities by security classification.

Sec. 522. (1) From the funds appropriated in part 1 for youth
in transition, the department shall allocate $750,000.00 for scholarships through the fostering futures scholarship program in the Michigan education trust to youths who were in foster care because of child abuse or child neglect and are attending a college or a career technical educational institution located in this state. Of the funds appropriated, 100% shall be used to fund scholarships for the youths described in this section.

(2) By March 1 of the current fiscal year, the department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office that includes the number of youths who received scholarships and the amount of each scholarship, and the total amount of funds spent or encumbered in the current fiscal year.

Sec. 523. (1) By February 15 of the current fiscal year, the department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report on the families first, family reunification, and families together building solutions family preservation programs. The report shall provide population and outcome data based on contractually required follow-up evaluations for families who received family preservation services and shall include information for each program on any innovations that may increase child safety and risk reduction.

(2) From the funds appropriated in part 1 for youth in transition and domestic violence prevention and treatment, the
department is authorized to make allocations of TANF funds only to
agencies that report necessary data to the department for the
purpose of meeting TANF eligibility reporting requirements.

Sec. 524. As a condition of receiving funds appropriated in
part 1 for strong families/safe children, counties must submit the
service spending plan to the department by October 1 of the current
fiscal year for approval. The department shall approve the service
spending plan within 30 calendar days after receipt of a properly
completed service spending plan.

Sec. 525. The department shall implement the same on-site
evaluation processes for privately operated child welfare and
juvenile justice residential facilities as is used to evaluate
state-operated facilities. Penalties for noncompliance shall be the
same for privately operated child welfare and juvenile justice
residential facilities and state-operated facilities.

Sec. 527. With the approval of the settlement monitor, for the
purposes of calculating adoption worker caseloads for private child
placing agencies, the department shall exclude the following case
types:

(a) Cases in which there are multiple applicants as that term
is defined in section 22(e) of chapter X of the probate code of
1939, 1939 PA 288, MCL 710.22, also known as a competing party
case, in which the case has a consent motion pending from
Michigan's children's institute or the court for more than 30 days.

(b) Cases in which a birth parent has an order or motion for a
rehearing or an appeal as of right that has been pending for more
than 15 days.
Sec. 531. The department shall notify the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices of any changes to a child welfare master contract template, including the adoption master contract template, the independent living plus master contract template, the child placing agency foster care master contract template, and the residential foster care juvenile justice master contract template, not less than 30 days before the change takes effect.

Sec. 532. The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review and include summaries of actions undertaken to revise, improve, and identify weaknesses in the current annual licensing process and annual contract compliance.
Sec. 533. The department shall make payments to child placing facilities for in-home and out-of-home care services and adoption services within 30 days of receiving all necessary documentation from those agencies. It is the intent of the legislature that the burden of ensuring that these payments are made in a timely manner and no payments are in arrears is upon the department.

Sec. 534. The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the adoption subsidies expenditures from the previous fiscal year. The report shall include, but is not limited to, the range of annual adoption support subsidy amounts, for both title IV-E eligible cases and state-funded cases, paid to adoptive families, the number of title IV-E and state-funded cases, the number of cases in which the adoption support subsidy request of adoptive parents for assistance was denied by the department, and the number of adoptive parents who requested a redetermination of adoption support subsidy.

Sec. 535. The department shall seek federal title IV-E claims for foster care maintenance payments and foster care administrative payments for department approved placements associated with the department's compliance with D.O. v Glisson, 847 F3d 374 (CA 6, 2017).

Sec. 536. By March 1 of the current fiscal year, the department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal
agencies, and the policy offices a report on the status of the
department's planned and achieved implementation of the federal
family first prevention services act, Public Law 115-123. The
report shall include, but not be limited to, an estimate of the 5-
year spending plan for administrative and compliance costs,
information regarding compliance with title IV-E prevention
requirements, the status of statewide compliance with the qualified
residential treatment program requirements, the department's
conformity with federal model licensing standards, the department's
plan for tracking and preventing child maltreatment deaths, and the
department's plan for extending John H. Chaffee foster care
independence programs up to age 23.

Sec. 537. (1) The department, in collaboration with child
placing agencies, shall develop a strategy to implement section
115o of the social welfare act, 1939 PA 280, MCL 400.115o. The
strategy shall include a requirement that a department caseworker
responsible for preparing a recommendation to a court concerning a
juvenile placement shall provide, as part of the recommendation,
information regarding the requirements of section 115o of the
social welfare act, 1939 PA 280, MCL 400.115o.

(2) By March 1 of the current fiscal year, the department
shall provide to the senate and house appropriations subcommittees
on the department budget, the senate and house fiscal agencies, the
senate and house policy offices, and the state budget office a
report on the strategy described in subsection (1).

Sec. 538. By October 1 of the current fiscal year, the
department shall submit to the senate and house appropriations
subcommittees on the department budget, the senate and house fiscal
gencies, and the policy offices a report on the status of the
department's program improvement plan associated with round 3 of
the child and family services review (CFSR). The report shall also
include, but not be limited to, a specific and detailed plan to
address the areas of substantial nonconformity identified in the
CFSR such as the inadequacy of caseworker training provided by the
department, the estimated costs necessary to reduce travel time for
service delivery to rural areas, plans to improve caseworker
engagement to reduce maltreatment in care, and steps undertaken by
the department to emphasize permanency in case planning.

Sec. 540. If a physician or psychiatrist who is providing
services to state or court wards placed in a residential facility
submits a formal request to the department to change the
psychotropic medication of a ward, the department shall, if the
ward is a state ward, make a determination on the proposed change
within 7 business days after the request or, if the ward is a
temporary court ward, seek parental consent within 7 business days
after the request. If parental consent is not provided within 7
business days, the department shall petition the court on the
eighth business day.

Sec. 546. (1) From the funds appropriated in part 1 for foster
care payments and from child care fund, the department shall pay
providers of general foster care, independent living, and trial
reunification services not less than a $46.20 administrative rate.

(2) From the funds appropriated in part 1, the department
shall pay providers of independent living plus services statewide
per diem rates for staff-supported housing and host-home housing based on proposals submitted in response to a solicitation for pricing. The independent living plus program provides staff-supported housing and services for foster youth ages 16 through 19 who, because of their individual needs and assessments, are not initially appropriate for general independent living foster care.

(3) If required by the federal government to meet title IV-E requirements, providers of foster care services shall submit quarterly reports on expenditures to the department to identify actual costs of providing foster care services.

(4) From the funds appropriated in part 1, the department shall maintain the rates in place on September 30, 2019 for each private provider of residential services.

Sec. 547. (1) From the funds appropriated in part 1 for the guardianship assistance program, the department shall pay a minimum rate that is not less than the approved age-appropriate payment rates for youth placed in family foster care.

(2) The department shall report quarterly to the state budget office, the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the number of children enrolled in the guardianship assistance and foster care – children with serious emotional disturbance waiver programs.

Sec. 550. (1) The department shall not offset against reimbursement payments to counties or seek reimbursement from counties for charges that were received by the department more than 12 months before the department seeks to offset against
reimbursement. A county shall not request reimbursement for and
reimbursement payments shall not be paid for a charge that is more
than 12 months after the date of service or original status
determination when initially submitted by the county.

(2) All service providers shall submit a request for payment
within 12 months after the date of service. Any request for payment
submitted 12 months or more after the date of service requires the
provider to submit an exception request to the county or the
department for approval or denial.

(3) The county is not subject to any offset, chargeback, or
reimbursement liability for prior expenditures resulting from an
error in foster care fund source determinations.

Sec. 551. The department shall respond to counties within 30
days regarding any request for a clarification requested through
the department's child care fund management unit electronic mail
address.

Sec. 552. Sixty days after a county's child care fund on-site
review is completed, the department shall provide the results of
the review to the county. The department shall not evaluate the
relevancy, quality, effectiveness, efficiency, or impact of the
services provided to youth of the county's child care fund programs
in the review. Pursuant to state law, the department shall not
release the results of the review to a third-party without the
permission of the county being reviewed.

Sec. 558. From the funds appropriated in part 1 for child
welfare institute, by January 1 of the current fiscal year, the
department shall provide all the necessary training and materials
To designated private child placing agency staff in order for all pre-service training requirements specified by the settlement to be completed by private child placing agency staff at agency facilities. It shall be department policy that the designated private child placing agency staff trained by the department to deliver training are authorized to deliver pre-service training to any private child placing agency staff, regardless of agency. This section does not modify or amend current licensing, certification, or subject matter standards required by federal law, state law, or the settlement.

Sec. 559. (1) From the funds appropriated in part 1 for adoption support services, the department shall allocate $250,000.00 to the Adoptive Family Support Network by December 1 of the current fiscal year to operate and expand its adoptive parent mentor program to provide a listening ear, knowledgeable guidance, and community connections to adoptive parents and children who were adopted in this state or another state.

(2) The Adoptive Family Support Network shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the program described in subsection (1), including, but not limited to, the number of cases served and the number of cases in which the program prevented an out-of-home placement.

Sec. 562. The department shall provide time and travel reimbursements for foster parents who transport a foster child to
parent-child visitations. As part of the foster care parent contract, the department shall provide written confirmation to foster parents that states that the foster parents have the right to request these reimbursements for all parent-child visitations. The department shall provide these reimbursements within 60 days of receiving a request for eligible reimbursements from a foster parent.

Sec. 564. (1) The department shall develop a clear policy for parent-child visitations. The local county offices, caseworkers, and supervisors shall meet an 85% success rate, after accounting for factors outside of the caseworkers' control.

(2) Per the court-ordered number of required meetings between caseworkers and a parent, the caseworkers shall achieve a success rate of 85%, after accounting for factors outside of the caseworkers' control.

(3) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report on the following:

(a) The percentage of success rate for parent-child visitations and court-ordered required meetings between caseworkers referenced in subsections (1) and (2) for the previous year.

(b) The barriers to achieve the success rates in subsections (1) and (2) and how this information is tracked.

Sec. 567. The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate
and house fiscal agencies, the senate and house policy offices, and
the state budget office by March 1 of the current fiscal year a
report on transfer of medical passports for children in foster
care, including the following:
   (a) From the total medical passports transferred, the
percentage that transferred within 2 weeks from the date of
placement or return to the home.
   (b) From the total school records, the percentage that
transferred within 2 weeks from the date of placement or return to
the home.
   (c) The implementation steps that have been taken to improve
the outcomes for the measures in subdivision (a).
Sec. 569. The department shall reimburse private child placing
agencies that complete adoptions at the rate according to the date
on which the petition for adoption and required support
documentation was accepted by the court and not according to the
date the court's order placing for adoption was entered.
Sec. 573. (1) From the funds appropriated in part 1 for foster
care payments and county child care fund, the department shall
allocate $100.00 to pay providers of foster care services a per
diem daily administrative rate for every case on a caseworker's
caseload for the duration of a case from referral acceptance to the
discharge of wardship.
   (2) The department shall continue a workgroup to determine an
equitable and fair method to compensate private child placing
agencies for case management and services provided to children for
which private child placing agencies are not paid an administrative
rate. The members of the workgroup shall include, but not be limited to, the department, representatives from the Michigan Federation for Children and Families, representatives from the Association of Accredited Child and Family Agencies, representatives from contracted private child placing agencies, and members of the senate and the house of representatives. The workgroup shall, at a minimum, provide an update on the possibility of implementing any of the following items that the workgroup considers feasible:

(a) A consensus agreement on the definition of an unpaid foster care case.

(b) A determination of the optimal way to provide compensation that is suitable for private child placing agencies for the case management of a child who, as described by department policy as of September 30 of the previous fiscal year, is not in foster care and for whom the private child placing agency does not receive an administrative rate, but, as of September 30 of the previous fiscal year, who was factored into the calculation of caseloads for a foster care worker as described by the settlement. The department shall provide an estimate of the costs to compensate private child placing agencies for cases in which the private child placing agency has been assigned primary case management, but are not currently compensated for.

(c) The status of an indirect or administrative payment to compensate private child placing agencies for the case management of a child who, as described by department policy as of September 30 of the previous fiscal year, is not in foster care and does not
receive an administrative rate, but, as of September 30 of the
previous fiscal year, who was factored into the calculation of
caseloads for a foster care worker as described by the settlement.

(3) The department and the participants in the workgroup
described in subsection (2) shall complete the determination by
March 1 of the current fiscal year and shall provide a copy of the
workgroup's determination to all workgroup members.

(4) The department shall complete an actuarial study to review
case rates paid to private child placing agencies every even-
numbered year.

(5) The department shall submit a request to the settlement
monitor to define caseload ratios in the settlement to only include
active cases or to designate a zero case weight for cases that are
routed for case closure but remain open to complete administrative
activities.

Sec. 574. (1) From the funds appropriated in part 1 for foster
care payments, $2,000,000.00 is allocated to support performance-
based contracts with child placing agencies to facilitate the
licensure of relative caregivers as foster parents. Agencies shall
receive $4,500.00 for each facilitated licensure if completed
within 180 days after case acceptance, or, if a waiver was
previously approved, 180 days from the referral date. If the
facilitated licensure, or approved waiver, is completed after 180
days, the agency shall receive up to $3,500.00. The agency
facilitating the licensure would retain the placement and continue
to provide case management services for the newly licensed cases
for which the placement was appropriate to the agency. The 180-day
period shall not include any delay due to actions solely in the control of the department as accounted for by the child placing agency assisting with licensure.

(2) From the funds appropriated for foster care payments, $375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements or payment for physical exams for applicants needed by foster families to accommodate foster children.

Sec. 583. By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, the senate and house fiscal agencies and policy offices, and the state budget office a report that includes:

(a) The number and percentage of foster parents that dropped out of the program in the previous fiscal year and the reasons the foster parents left the program and how those figures compare to prior fiscal years.

(b) The number and percentage of foster parents successfully retained in the previous fiscal year and how those figures compare to prior fiscal years.

Sec. 585. The department shall make available at least 1 pre-service training class each month in which new caseworkers for private foster care and adoption agencies can enroll.

Sec. 586. From the funds appropriated in part 1 for foster care taskforce, the department shall allocate $50,000.00 to cover the necessary expenses of the foster care taskforce and be used to
reimburse commission members for reasonable, actual, and necessary expenses incurred in the performance of their duties.

Sec. 588. (1) Concurrently with public release, the department shall transmit all reports from the court-appointed settlement monitor, including, but not limited to, the needs assessment and period outcome reporting, to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies and policy offices, without revision.

(2) By October 1 of the current fiscal year, department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the policy offices a detailed plan that will terminate and dismiss with prejudice the settlement by September 30 of the current fiscal year.

Sec. 589. (1) From the funds appropriated in part 1 for child care fund, the department shall pay 100% of the administrative rate for all new cases referred to providers of foster care services.

(2) On a monthly basis, the department shall report on the number of all foster care cases administered by the department and all foster care cases administered by private providers.

Sec. 593. The department may allow residential service providers for child abuse and child neglect cases to implement a staff ratio during working hours of 1 staff to 5 children.

Sec. 594. From the funds appropriated in part 1 for foster care payments, the department shall support regional resource teams to provide for the recruitment, retention, and training of foster
and adoptive parents and shall expand the Michigan youth
opportunities initiative to all Michigan counties. The purpose of
this funding is to increase the number of annual inquiries from
prospective foster parents, increase the number of nonrelative
foster homes that achieve licensure each year, increase the annual
retention rate of nonrelative foster homes, reduce the number of
older foster youth placed outside of family settings, and provide
older youth with enhanced support in transitioning to adulthood.

Sec. 595. (1) Due to the exigent circumstances found in the
department's children's protective services (CPS) program by the
office of the auditor general (OAG) audit number 431-1285-16, from
the funds appropriated in part 1, the department shall expend
$162,849,600.00 for children's protective services - caseload staff
in order to dedicate resources to CPS investigations. The
department shall hire staff from the funds appropriated in part 1
for children's protective services - caseload staff for the
department to come into compliance and sustain measured corrective
action as determined by the OAG for OAG audit number 431-1285-16.

(2) From the funds appropriated in part 1 for foster care
services - caseload staff, the department shall not expend any
funds on hiring foster care workers or licensing workers and shall
not assume any direct supervisory responsibility of foster care
cases unless 1 of the following conditions is met:

(a) An initial review of the case indicated that the case is
not eligible for Title IV-E reimbursement.

(b) The department is already providing direct foster care
service to 1 or more siblings of the child ordered into a
placement, and a department direct service provision can provide placement to the entire sibling group.

(c) The court has ordered placement for only some of the children in the family, requiring the department to monitor the children remaining at home.

(3) From the funds appropriated in part 1 for foster care payments, all new foster care cases coming into care shall be placed with a private child placing agency supervision unless any of the conditions in subsection (1) are met or until the statewide ratio of foster care cases is 55% for private child placing agency supervision to 45% department case management supervision respectively.

(4) This section does not require an individual county to meet the case ratio described in subsection (3).

(5) This section does not modify or amend caseload ratios required under the settlement.

Sec. 596. From the funds appropriated in part 1 for youth in transition, the department shall allocate $500,000.00 state general fund/general purpose revenue to maintain funding to support the runaway and homeless youth services program. The purpose of the maintained funding is to support current programs for contracted providers that provide emergency shelter and services to homeless and runaway youth.

Sec. 598. Partial child care fund reimbursements to counties for undisputed charges shall be made within 45 business days of the receipt of the required forms and documentation. The department shall notify a county within 15 business days of a disputed
reimbursement request. The department shall reimburse for corrected charges within 45 business days of a properly corrected submission.

PUBLIC ASSISTANCE

Sec. 601. Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vending has been requested meets applicable local housing codes. Vending shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

Sec. 602. The department shall conduct a full evaluation of an individual's assistance needs if the individual has applied for disability more than 1 time within a 1-year period.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment that meets federal supplemental security income disability standards, except
that the minimum duration of the disability shall be 90 days.
Substance use disorder alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance use disorder treatment center.
(d) A person receiving 30-day postresidential substance use disorder treatment.
(e) A person diagnosed as having acquired immunodeficiency syndrome.
(f) A person receiving special education services through the local intermediate school district.
(g) A caretaker of a disabled person who meets the requirements specified in subdivision (a), (b), (e), or (f).

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:
(a) Meet the same asset test as is applied for the family independence program.
(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental
limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County department offices shall require each recipient of family independence program and state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the family independence program or state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. (1) The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but may include revenues collected during the current year that are prior year related and not a part of the department's
accrued entries.

(2) The department may use supplemental security income recoveries to satisfy the deduct in any line in which the revenues are appropriated, regardless of the source from which the revenue is recovered.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income if the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. (1) In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.
(2) For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

(3) State emergency relief payments shall not be made to individuals who have been found guilty of fraud in regard to obtaining public assistance.

(4) State emergency relief payments shall not be made available to persons who are out-of-state residents or illegal immigrants.

(5) State emergency relief payments for rent assistance shall be distributed directly to landlords and shall not be added to Michigan bridge cards.

Sec. 611. The state supplementation level under the supplemental security income program for the living independently or living in the household of another categories shall not exceed the minimum state supplementation level as required under federal law or regulations.

Sec. 613. (1) The department shall provide reimbursements for the final disposition of indigent persons. The reimbursements shall include the following:

(a) The maximum allowable reimbursement for the final disposition is $800.00.

(b) The adult burial with services allowance is $725.00.

(c) The adult burial without services allowance is $490.00.

(d) The infant burial allowance is $170.00.
(2) Reimbursement for a cremation permit fee of up to $75.00 and for mileage at the standard rate will be made available for an eligible cremation. The reimbursements under this section shall take into consideration religious preferences that prohibit cremation.

Sec. 614. The department shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by January 15 of the current fiscal year on the number and percentage of state disability assistance recipients who were determined to be eligible for federal supplemental security income benefits in the previous fiscal year.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks, emergency shelter providers, or other human services agencies who may, as a normal part of doing business, provide food or emergency shelter.

Sec. 616. The department shall require retailers that participate in the electronic benefits transfer program to charge no more than $2.50 in fees for cash back as a condition of participation.

Sec. 618. By March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget
office the quarterly number of supervised individuals who have
absconded from supervision and whom a law enforcement agency, the
department of corrections, or the department is actively seeking
according to section 84 of the corrections code of 1953, 1953 PA
232, MCL 791.284.
Sec. 619. (1) Subject to subsection (2), the department shall
not deny title IV-A assistance and food assistance benefits under
21 USC 862a to any individual who has been convicted of a single
felony that included the possession, use, or distribution of a
controlled substance, for which the act that resulted in the
conviction occurred after August 22, 1996, if the individual is not
in violation of his or her probation or parole requirements.
Benefits shall be provided to an individual, if the individual is
the grantee (head of household), as follows:
(a) Family independence program benefits must be paid in the
form of restricted payments when the grantee has been convicted,
for conduct occurring after August 22, 1996, of a felony for the
use, possession, or distribution of a controlled substance.
(b) An authorized representative shall be required for food
assistance receipt. If the individual with the conviction is not
the grantee, the food assistance shall be provided to the grantee.
(2) Subject to federal approval, an individual is not entitled
to the exemption in this section if the individual was convicted of
2 or more separate felony acts that included the possession, use,
or distribution of a controlled substance and both acts occurred
after August 22, 1996.
Sec. 620. (1) The department shall make a determination of
Medicaid eligibility not later than 90 days if disability is an eligibility factor. For all other Medicaid applicants, including patients of a nursing home, the department shall make a determination of Medicaid eligibility within 45 days of application.

(2) The department shall provide quarterly reports to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the average Medicaid eligibility standard of promptness for each of the required standards of promptness under subsection (1) and for medical review team reviews achieved statewide and at each local office.

Sec. 625. From the funds appropriated in part 1 for SSI advocacy legal services grant, the department shall allocate $250,000.00 as a grant to the Legal Services Association of Michigan (LSAM). The purpose of the grant is to assist current or potential recipients of state disability assistance who have applied for or wish to apply for SSI or other federal disability benefits. LSAM shall provide a list of new recipients to the department to verify services provided to department referrals. The department shall distribute informational materials or literature provided by LSAM to clients who have been referred to LSAM for assistance under this section. LSAM and the department shall develop release forms to share information in appropriate cases. LSAM shall provide quarterly reports indicating cases opened, cases
closed, level of services provided on closed cases, and case outcomes on closed cases.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the department's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 654. The department shall notify recipients of food assistance program benefits that their benefits can be spent with their bridge cards at many farmers' markets in the state. The department shall also notify recipients about the Double Up Food Bucks program that is administered by the Fair Food Network. Recipients shall receive information about the Double Up Food Bucks program, including information that when the recipient spends $20.00 at participating farmers' markets through the program, the recipient can receive an additional $20.00 to buy Michigan produce.

Sec. 655. Within 14 days after the spending plan for low-income home energy assistance program is approved by the state budget office, the department shall provide the spending plan, including itemized projected expenditures, to the chairpersons of
the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 660. From the funds appropriated in part 1 for Food Bank Council of Michigan, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section is not an ongoing commitment of funding.

Sec. 669. The department shall allocate $7,230,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children in a family independence program group.

Sec. 672. (1) The department's office of inspector general shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by February 15 of the current fiscal year on department efforts to reduce inappropriate use of Michigan bridge cards. The department shall provide information on the number of recipients of services who used their electronic benefit transfer card inappropriately and the current status of each case, the number of recipients whose benefits were revoked, whether permanently or temporarily, as a result of inappropriate use, and the number of retailers that were fined or removed from the electronic benefit transfer program for
permitting inappropriate use of the cards. The report shall distinguish between savings and cost avoidance. Savings include receivables established from instances of fraud committed. Cost avoidance includes expenditures avoided due to front-end eligibility investigations and other preemptive actions undertaken in the prevention of fraud.

(2) It shall be the policy of the department that the department shall require an explanation from a recipient if a bridge card is replaced more than 2 times over any 3-month period.

(3) As used in this section, "inappropriate use" means not used to meet a family's ongoing basic needs, including food, clothing, shelter, utilities, household goods, personal care items, and general incidentals.

Sec. 677. (1) The department shall establish a state goal for the percentage of family independence program cases involved in employment activities. The percentage established shall not be less than 50%. The goal for long-term employment shall be 15% of cases for 6 months or more.

(2) The department shall provide quarterly reports to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the number of cases referred to Partnership. Accountability. Training. Hope. (PATH), the current percentage of family independence program cases involved in PATH employment activities, an estimate of the current percentage of family independence program cases that meet federal work participation requirements on the whole, and an estimate of the
current percentage of the family independence program cases that
meet federal work participation requirements for those cases
referred to PATH.

(3) The department shall submit to the senate and house
appropriations subcommittees on the department budget, the senate
and house fiscal agencies, the senate and house policy offices, and
the state budget office quarterly reports that include all of the
following:

(a) The number and percentage of nonexempt family independence
program recipients who are employed.

(b) The average and range of wages of employed family
independence program recipients.

(c) The number and percentage of employed family independence
program recipients who remain employed for 6 months or more.

Sec. 686. (1) The department shall ensure that program policy
requires caseworkers to confirm that individuals presenting
personal identification issued by another state seeking assistance
through the family independence program, food assistance program,
state disability assistance program, or medical assistance program
are not receiving benefits from any other state.

(2) The department shall require caseworkers to confirm the
address provided by any individual seeking family independence
program benefits or state disability assistance benefits.

(3) The department shall prohibit individuals with property
assets assessed at a value higher than $200,000.00 from accessing
assistance through department-administered programs, unless such a
prohibition would violate federal rules and guidelines.
(4) The department shall require caseworkers to obtain an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits.

Sec. 687. (1) The department shall, in quarterly reports, compile and make available on its website all of the following information about the family independence program, state disability assistance, the food assistance program, Medicaid, and state emergency relief:

(a) The number of applications received.
(b) The number of applications approved.
(c) The number of applications denied.
(d) The number of applications pending and neither approved nor denied.
(e) The number of cases opened.
(f) The number of cases closed.
(g) The number of cases at the beginning of the quarter and the number of cases at the end of the quarter.

(2) The information provided under subsection (1) shall be compiled and made available for the state as a whole and for each county and reported separately for each program listed in subsection (1).

(3) The department shall, in quarterly reports, compile and make available on its website the family independence program information listed as follows:

(a) The number of new applicants who successfully met the requirements of the 21-day assessment period for PATH.
(b) The number of new applicants who did not meet the requirements of the 21-day assessment period for PATH.

(c) The number of cases sanctioned because of the school truancy policy.

(d) The number of cases closed because of the 48-month and 60-month lifetime limits.

(e) The number of first-, second-, and third-time sanctions.

(f) The number of children ages 0-5 living in FIP-sanctioned households.

Sec. 688. From the funds appropriated in part 1 for the low-income home energy assistance program, the department shall make an additional $20.01 payment to each food assistance program case that is not currently eligible for the standard utility allowance to enable each case to receive expanded food assistance benefits through the program commonly known as the heat and eat program.

<<Sec. 690. From the funds appropriated in part 1 for Food Bank Council of Michigan, the department shall allocate $470,000.00 to a nonprofit, community-based organization organized under the laws of this state that are exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501 located in a county with a population of between 601,000 and 603,000 and in a charter township with a population of between 30,900 and 31,000. The nonprofit selected shall use the funds to gather and distribute food to relieve hunger and increase food security.>>

CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE

Sec. 701. Unless required from changes to federal or state law or at the request of a provider, the department shall not alter the terms of any signed contract with a private residential facility serving children under state or court supervision without written consent from a representative of the private residential facility.

Sec. 706. Counties shall be subject to 50% chargeback for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with
professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(11) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. (1) As a condition of receiving funds appropriated in part 1 for the child care fund line item, by October 15 of the current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan for the following fiscal year to the department by August 15 of the current fiscal year for approval. Upon submission of the county service spending plan, the department shall approve within 30 calendar days after receipt of a properly completed service plan that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The department shall notify and submit county service spending plan revisions to any county whose county service spending plan is not accepted upon initial submission. The department shall not request any additional revisions to a county service spending plan outside of the requested revision notification submitted to the county by the department. The department shall notify a county within 30 days after approval that its service plan was approved.

(2) Counties must submit amendments to current fiscal year county service plans no later than August 30. Counties must submit current fiscal year payable estimates to the department no later
than September 15.

(3) The department shall submit a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office by February 15 of the current fiscal year on the number of counties that fail to submit a service spending plan by August 15 of the previous fiscal year and the number of service spending plans not approved by October 15. The report shall include the number of county service spending plans that were not approved as first submitted by the counties, as well as the number of plans that were not approved by the department after being resubmitted by the county with the first revisions that were requested by the department.

Sec. 709. The department's master contract for juvenile justice residential foster care services shall prohibit contractors from denying a referral for placement of a youth, or terminating a youth's placement, if the youth's assessed treatment needs are in alignment with the facility's residential program type, as identified by the court or the department. In addition, the master contract shall require that youth placed in juvenile justice residential foster care facilities must have regularly scheduled treatment sessions with a licensed psychologist or psychiatrist, or both, and access to the licensed psychologist or psychiatrist as needed.

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 807. From the funds appropriated in part 1 for Elder Law
of Michigan MiCAFE contract, the department shall allocate not less than $350,000.00 to the Elder Law of Michigan MiCAFE to assist this state's elderly population in participating in the food assistance program. Of the $350,000.00 allocated under this section, the department shall use $175,000.00, which are general fund/general purpose funds, as state matching funds for not less than $175,000.00 in United States Department of Agriculture funding to provide outreach program activities, such as eligibility screening and information services, as part of a statewide food assistance hotline.

Sec. 808. By March 1 of the current fiscal year, the department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the nutrition education program. The report shall include requirements made by the agriculture improvement act of 2018, Public Law 115-334, such as how the department shall use an electronic reporting system to evaluate projects, an accounting for allowable state agency administrative costs. The report shall also include documentation of the steps the department shall take to ensure that projects and subgrantee programs are evidence-based, appropriated for, and meet the criteria for eligible individuals as defined in section 2036a(a) of the food and nutrition act, 7 USC 2036, and quantitative evidence that the programs contribute to a reduction in obesity or an increase in the consumption of healthy foods. Additionally, the report shall include planned allocation and actual expenditures for
the supplemental nutrition assistance program education funding, planned and actual grant amounts for the supplemental nutrition assistance program education funding, the total amount of expected carryforward balance at the end of the current fiscal year for the supplemental nutrition assistance program education funding and for each subgrantee program, a list of all supplemental nutrition assistance program education funding programs by implementing agency, and the stated purpose of each of the programs and each of the subgrantee programs.

Sec. 809. (1) The purpose of the pathways to potential program is to reduce chronic absenteeism, decrease the number of students who repeat grades, decrease the rate of dropouts, and increase student graduation rates for schools that are current or future participants in the pathways to potential program. Before any deployment of resources into a participant school, the department and the participant school shall establish performance objectives for each participant school based on a 2-year baseline prior to pathways to potential being established in the participant school and shall evaluate the progress made in the above categories from the established baseline. By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report listing all participant schools, the funding allocation by participant school, the number of staff assigned to each school by participant school, and the percentage of participating schools that achieved improved performance in each of the 4 outcomes listed above.
compared to the previous year, by each individual outcome. It is
the intent of the legislature that after a 2-year period without
attaining an increase in success in meeting the 4 listed outcomes
from the established baseline, the department shall work with the
participant school to examine the cause of the lack of progress and
shall seek to implement a plan to increase success in meeting the
identified outcomes. It is the intent of the legislature that
progress or the lack of progress made in meeting the performance
objectives shall be used as a determinant in future pathways to
potential resource allocation decisions.

(2) As used in this section, "baseline" means the initial set
of data from the center for educational performance and information
in the department of technology, management, and budget of the 4
measured outcomes as described in subsection (1).

Sec. 810. From funds appropriated in part 1 for public
assistance field staff, the department shall allocate $100.00 as a
grant, to implement a pilot program that will provide wrap-around
services during out-of-school periods. The funds shall be available
to schools, school districts, and public school academies. To be
eligible for the grants, the school, school district, or public
school academy shall have at least 67% of the population with an
income of less than 185% of the federal poverty level. Priority for
selection shall be given to schools, school districts, and public
school academies that have signed agreements, signed contracts, or
signed memorandums with nonprofit, community-based organizations
organized under the laws of this state that are exempt from federal
income tax under section 501(c)(3) of the internal revenue code of
1986, 26 USC 501. The pilot program shall include the following program elements:

(a) Schools, school districts, and public school academies are encouraged to offer educational awareness programs such as wrap-around programs and integrated student supports that promote academic achievement through overcoming academic and nonacademic barriers to learning.

(b) Activities of an integrated student supports program funded under this subsection may include, but are not limited to, tutoring, dental and health screenings, social-emotional, health, meals, and exercise.

(c) Schools, school districts, and public school academies are encouraged to facilitate coordination to ensure the integrated student supports program supplements the services currently available to students and families.

(d) Schools, school districts, and public school academies that are selected for participation under this section shall provide a plan to transition the cost of the program to existing funds or private funds raised over 5 years, by providing increasing matching funds throughout the pilot program.

(e) Participating schools, school districts, and public school academies shall track academic and nonacademic indicators of student progress.

Sec. 825. From the funds appropriated in part 1, the department shall provide individuals not more than $500.00 for vehicle repairs, including any repairs done in the previous 12 months. However, the department may in its discretion pay for
repairs up to $900.00. Payments under this section shall include the combined total of payments made by the department and work participation program.

Sec. 850. (1) The department shall maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, adult placement and independent living settings, federally qualified health centers, and hospitals unless a community-based organization, community mental health agency, nursing home, adult placement and independent living setting, federally qualified health centers, or hospital requests that the program be discontinued at its facility.

(2) From the funds appropriated in part 1 for donated funds positions, the department shall enter into contracts with agencies that are able and eligible under federal law to provide the required matching funds for federal funding, as determined by federal statute and regulations.

(3) A contract for an assistance payments donated funds position must include, but not be limited to, the following performance metrics:

(a) Meeting a standard of promptness for processing applications for Medicaid and other public assistance programs under state law.

(b) Meeting required standards for error rates in determining programmatic eligibility as determined by the department.

(4) The department shall only fill additional donated funds positions after a new contract has been signed. That position shall also be abolished when the contract expires or is terminated.
(5) The department shall classify as limited-term FTEs any new employees who are hired to fulfill the donated funds position contracts or are hired to fill any vacancies from employees who transferred to a donated funds position.

(6) By March 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office detailing information on the donated funds positions, including the total number of occupied positions, the total private contribution of the positions, and the total cost to the state for any nonsalary expenditure for the donated funds position employees.

Sec. 851. From the funds appropriated in part 1 for adult services field staff, the department shall seek to reduce the number of older adults who are victims of crime and fraud by increasing the standard of promptness in every county. By March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and policy offices, the following, by county: the percentage of investigations commenced within 24 hours, the number of face-to-face contacts established with the client within 72 hours, and the number of investigations completed within 30 days.

DISABILITY DETERMINATION SERVICES

Sec. 890. From the funds appropriated in part 1 for disability determination services, the department shall maintain the unit
rates in effect on September 30, 2018 for medical consultants
performing disability determination services, including physicians,
psychologists, and speech-language pathologists.

**BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS**

Sec. 901. Except for the pilot projects and demonstration models described in section 298 of this part, the 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 PIHPs in accordance with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, the Medicaid provider manual, federal Medicaid waivers, and all other applicable federal and state laws.

Sec. 902. (1) Except for the pilot projects and demonstration models described in section 298 of this part, from the funds appropriated in part 1, final authorizations to CMHSPs or PIHPs shall be made upon the execution of contracts between the department and CMHSPs or PIHPs. 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 PIHP 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 PIHPs entered into under this subsection for the current fiscal year 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 appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget director if either of the following occurs:

(a) Any new contracts the department has entered into with CMHSPs or PIHPs that would affect rates or expenditures.

(b) Any amendments to contracts the department has entered into with CMHSPs or PIHPs that would affect rates or expenditures.

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

Sec. 904. (1) By May 31 of the current fiscal year, the department shall provide a report on the CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment to the members of the house and senate appropriations subcommittees on the department budget, 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, PIHP, and designated regional entity for substance use disorder prevention and treatment, and a statewide summary, each of which shall include at least the following information:

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

(b) Per capita expenditures in total and by client population.
group and cultural and ethnic groups of the services area, including the deaf and hard of hearing population.

(c) Financial information that, minimally, includes a description of funding authorized; expenditures by diagnosis group, service category, and reimbursement eligibility; and cost information by Medicaid, Healthy Michigan plan, state appropriated non-Medicaid mental health services, local funding, and other fund sources, including administration and funds specified for all outside contracts for services and products. Financial information must include the amount of funding, from each fund source, used to cover clinical services and supports. Service category includes all department-approved services.

(d) Data describing service outcomes that include, but are not 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 CMHSPs and designated regional entities for substance use disorder prevention and treatment that includes, but is not 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 mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, and the determination of any appeals.

(g) Lapses and carryforwards during the previous fiscal year for CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment.
use disorder prevention and treatment.

(h) Performance indicator information required to be submitted to the department in the contracts with CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment.

(i) Administrative expenditures of each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment that include a breakout of the salary, benefits, and pension of each executive-level staff and shall include the director, chief executive, and chief operating officers and other members identified as executive staff.

(3) The report shall contain the following information from the previous fiscal year on substance use disorder prevention, education, and treatment programs:

(a) Expenditures stratified by department-designated community mental health entity, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type.

(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 department-designated community mental health entity, by subcontractor, by
(4) The department shall include data reporting requirements listed in subsections (2) and (3) in the annual contract with each individual CMHSP, PIHP, and designated regional entity for substance use disorder treatment and prevention.

(5) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment.

Sec. 905. (1) From the funds appropriated in part 1 for behavioral health program administration, the department shall maintain a psychiatric transitional unit and children's behavioral action team. These services will augment the continuum of behavioral health services for high-need youth and provide additional continuity of care and transition into supportive community-based services.

(2) Outcomes and performance measures for this initiative include, but are not limited to, the following:

(a) The rate of rehospitalization for youth served through the program at 30 and 180 days.

(b) Measured change in the Child and Adolescent Functional Assessment Scale for children served through the program.

Sec. 906. (1) The funds appropriated in part 1 for the state disability assistance substance use disorder services program shall be used to support per diem room and board payments in substance use disorder residential facilities. Eligibility of clients for the state disability assistance substance use disorder services program
shall include needy persons 18 years of age or older, or emancipated minors, who reside in a substance use disorder treatment center.

(2) The department shall reimburse all licensed substance use disorder programs eligible to participate in the program at a rate equivalent to that paid by the department 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.

Sec. 907. (1) The amount appropriated in part 1 for community substance use disorder prevention, education, and treatment shall be expended to coordinate care and services provided to individuals with severe and persistent mental illness and substance use disorder diagnoses.

(2) The department shall approve managing entity fee schedules for providing substance use disorder services and charge participants in accordance with their ability to pay.

(3) The managing entity shall continue current efforts to collaborate on the delivery of services to those clients with mental illness and substance use disorder diagnoses with the goal of providing services in an administratively efficient manner.

Sec. 908. The department shall work with an actuarial firm to reexamine Medicaid mental health, Medicaid autism, and Healthy Michigan plan mental health rates in the PIHP contract in order to develop rates that reflect the actual and projected growth in demand for and the real costs of providing the services associated
Sec. 909. From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment, the department shall use available revenue from the marihuana regulatory fund established in section 604 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27604, to improve physical health; expand access to substance use disorder prevention and treatment services; and strengthen the existing prevention, treatment, and recovery systems.

Sec. 910. The department shall ensure that substance use disorder treatment is provided to applicants and recipients of public assistance through the department who are required to obtain substance use disorder treatment as a condition of eligibility for public assistance.

Sec. 911. (1) The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage diversion of individuals with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

(2) Each CMHSP or PIHP 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 interagency 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.

Sec. 912. The department shall contract directly with the
Salvation Army Harbor Light program to provide non-Medicaid
substance use disorder services if the local coordinating agency or
the department confirms the Salvation Army Harbor Light program
meets the standard of care. The standard of care shall include, but
is not limited to, utilization of the medication assisted treatment
option.

Sec. 915. (1) By March 1 of the current fiscal year, the
department shall report the following information on the mental
health and wellness commission to the house and senate
appropriations subcommittees on the department budget, the house
and senate fiscal agencies, the house and senate policy offices,
and the state budget office:

(a) Previous fiscal year expenditures by actionable
recommendation of the mental health and wellness commission.
(b) Programs utilized during the previous fiscal year to
address each actionable recommendation of the mental health and
wellness commission.
(c) Outcomes and performance measures achieved during the
previous fiscal year by actionable recommendation of the mental
health and wellness commission.
(d) Current fiscal year funding by actionable recommendation
of the mental health and wellness commission.
(e) Current fiscal year funding by program utilized to address
each actionable recommendation of the mental health and wellness
(2) By April 1 of the current fiscal year, the department shall report on funding within the executive budget proposal for the fiscal year ending September 30, 2021, by actionable recommendation of the mental health and wellness commission to the same report recipients listed in subsection (1).

Sec. 918. On or before the twenty-fifth of each month, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program in the preceding month. The information shall include the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, and number of cases in each eligibility group for each PIHP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 920. (1) As part of the Medicaid rate-setting process for behavioral health services, the department shall work with PIHP network providers and actuaries to include any state and federal wage and compensation increases that directly impact staff who provide Medicaid-funded community living supports, personal care services, respite services, skill-building services, and other similar supports and services as part of the Medicaid rate.

(2) It is the intent of the legislature that any increased Medicaid rate related to state minimum wage increases shall also be distributed to direct care employees.

Sec. 924. From the funds appropriated in part 1 for autism
services, for the purposes of actuarially sound rate certification
and approval for Medicaid behavioral health managed care programs,
the department shall establish and implement a fee schedule for
autism services reimbursement rates for direct services by October
1 of the current fiscal year. Expenditures used for rate setting
shall not exceed those identified in the fee schedule. The rates
for behavioral technicians shall be reduced by 10% of the 2017
autism fee schedule, but shall not be less than $50.00 per hour.

Sec. 926. From the funds appropriated in part 1 for community
substance use disorder prevention, education, and treatment, the
department shall appropriate up to $1,000,000.00 to implement 2
specialized substance use disorder detoxification pilot programs.
For a hospital to be eligible to participate in the pilot program,
the hospital must have a wing with at least 3 beds dedicated to
stabilizing patients suffering from addiction by providing a
specialized trauma therapist as well as a peer support specialist
to assist with treatment and counseling. The substance use and case
management provider shall collect and submit to the department data
on the outcomes of the pilot program throughout the duration of the
pilot program and shall provide a report on the pilot program's
outcomes to the senate and house appropriations subcommittees on
the department budget, the senate and house fiscal agencies, the
senate and house policy offices, and the state budget office. In
order to receive funding under this section, the substance use and
case management provider must meet 1 of the following conditions:

(a) Be located at a nonprofit hospital in a city with a
population between 195,000 and 210,000 within a county with a
population of at least 645,000.

(b) Be located at a homeland security hospital in a city with a population between 15,000 and 17,000 within a county with a population of at least 850,000.

Sec. 927. The department shall determine what steps are necessary to allow a behavioral health services provider operating in multiple counties to utilize a single audit or consolidate audits, in whole or in part, in order to reduce the administrative and financial burden on both the service provider and the department. The department shall submit a report identifying potential barriers and solutions to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by December 31 of the current fiscal year.

Sec. 928. (1) Each PIHP shall provide, from internal resources, local funds to be used as a part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. 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 PIHP. Total local fund revenue received from PIHPs for the purpose of this section shall not exceed $25,475,700.00.

(2) It is the intent of the legislature that any funds that lapse from the funds appropriated in part 1 for Medicaid mental health services shall be redistributed to individual CMHSPs as a reimbursement of local funds on a proportional basis to those
CMHSPs whose local funds were used as state Medicaid match. By April 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the lapse by PIHP from the previous fiscal year and the projected lapse by PIHP in the current fiscal year.

Sec. 929. From the funds appropriated in part 1 for behavioral health program administration, the department shall allocate $100.00 by December 1 of the current fiscal year as a grant to the Conductive Learning Center located at Aquinas College. The purpose of this grant is to support the operational costs of the conductive education model taught at the Conductive Learning Center to maximize the independence and mobility of children and adults with neuromotor disabilities. The conductive education model funded under this section must be based on the concept of neuroplasticity and the ability of people to learn and improve when they are motivated, regardless of the severity of their disability.

Sec. 935. 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 of the current fiscal year.

Sec. 940. (1) According to section 236 of the mental health code, 1974 PA 258, MCL 330.1236, the department shall do both of
the following:

(a) Review expenditures for each CMHSP to identify CMHSPs with projected allocation surpluses and to identify CMHSPs with projected allocation shortfalls. The department shall encourage the board of a CMHSP with a projected allocation surplus to concur with the department's recommendation to reallocate those funds to CMHSPs with projected allocation shortfalls.

(b) Withdraw unspent funds that have been allocated to a CMHSP if other reallocated funds were expended in a manner not provided for in the approved contract, including expending funds on services and programs provided to individuals residing outside of the CMHSP's geographic region.

(2) A CMHSP that has its funding allocation transferred out or withdrawn during the current fiscal year as described in subsection (1) is not eligible for any additional funding reallocations during the remainder of the current fiscal year, unless that CMHSP is responding to a public health emergency as determined by the department.

(3) CMHSPs shall report to the department on any proposed reallocations described in this section at least 30 days before any reallocations take effect.

(4) The department shall notify the chairs of the appropriation subcommittees on the department budget when a request is made and when the department grants approval for reallocation or withdraw as described in subsection (1). By September 30 of the current fiscal year, the department shall provide a report on the amount of funding reallocated or withdrawn to the senate and house
appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 942. A CMHSP shall provide at least 30 days' notice before reducing, terminating, or suspending services provided by a CMHSP to CMHSP clients, with the exception of services authorized by a physician that no longer meet established criteria for medical necessity.

Sec. 950. From the funds appropriated in part 1 for court-appointed guardian and conservator reimbursements, the department shall allocate not more than $100.00 to reimburse counties for 50% of the cost to reimburse court-appointed public guardians and conservators for recipients who also receive CMHSP services. The department shall only reimburse for 50% of the cost for reimbursement up to $83.00 per month per court-appointed public guardian and conservator. By September 15 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the number of counties that received these funds, the number of court-appointed public guardians and conservators who were reimbursed by the counties that received these funds, and the per-month reimbursement rates provided by the counties that received these funds.

Sec. 959. (1) From the funds appropriated in part 1 for autism services, the department shall continue to cover all Medicaid autism services to Medicaid enrollees eligible for the services
that were covered on January 1, 2018.

(2) To restrain cost increases in the autism services line item, the department shall do all of the following:

(a) Require consultation with the client's diagnostician and CMHSP to approve the client's ongoing therapy every 6 months if the initial treatment would cost more than a monthly threshold amount to be specified by the department.

(b) Limit the authority to perform a diagnostic evaluation for Medicaid autism services to qualified licensed practitioners. Qualified licensed practitioners shall be limited to the following:

(i) A physician with a specialty in psychiatry or neurology.

(ii) A physician with a subspecialty in developmental pediatrics, development-behavioral pediatrics, or a related discipline.

(iii) A physician with a specialty in pediatrics or other appropriate specialty with training, experience, or expertise in autism spectrum disorders or behavioral health.

(iv) A psychologist.

(v) A clinical social worker working within his or her scope of practice who is qualified and experienced in diagnosing autism spectrum disorders.

(c) Require that diagnoses made by a clinical social worker must be approved by another qualified licensed practitioner who is not a clinical social worker.

(d) Require that a client whose initial diagnosis was performed by a nurse practitioner or a clinical social worker and who requires at least 20 hours a week of therapy must go through a
re-diagnosis by a multi-disciplinary team.

(e) Prohibit CMHSPs from allowing specific providers to provide both diagnosis and treatment services to individual clients.

Sec. 962. For the purposes of special projects involving high-need children or adults, including the not guilty by reason of insanity population, the department may contract directly with providers of services to these identified populations.

Sec. 963. From the funds appropriated in part 1 for behavioral health program administration, up to $2,000,000.00 shall be allocated to address the implementation of court-ordered assisted outpatient treatment as provided under chapter 4 of the mental health code, 1974 PA 258, MCL 330.1400 to 330.1490.

Sec. 964. The department shall develop and implement a standardized fee schedule for all required Medicaid behavioral health services by January 1 of the current fiscal year. The department shall also develop and implement necessary adequacy standards for use in all contracts with PIHPs and CMHSPs.

Sec. 965. The department shall explore requiring that CMHSPs reimburse medication assisted treatment providers no less than $12.00 per dose, and reimburse drug screen collection at no less than $12.00 per manual screen.

Sec. 970. The department shall maintain the policies in effect on October 1, 2018 for the federal home and community-based services rule as it relates to skill building assistance services. The skill building assistance services shall remain eligible for federal match until March 17, 2022 as stated in the CMS
informational bulletin dated May 9, 2017. From the funds
appropriated in part 1, the department shall continue to seek
federal matching funds for skill building assistance services.

Sec. 994. (1) By January 1 of the current fiscal year, the
department shall seek, if necessary, federal approval through
either a waiver request or state plan amendment to allow a CMHSP,
PIHP, or subcontracting provider agency that is reviewed and
accredited by a national accrediting entity for behavioral health
care services to be considered in compliance with state program
review and audit requirements that are addressed and reviewed by
that national accrediting entity.

(2) By April 1 of the current fiscal year, the department
shall report to the house and senate appropriations subcommittees
on the department budget, the house and senate fiscal agencies, and
the state budget office all of the following:

(a) The status of the federal approval process required in
subsection (1).

(b) A list of each CMHSP, PIHP, and subcontracting provider
agency that is considered to be in compliance with state program
review and audit requirements under subsection (1).

(c) For each CMHSP, PIHP, or subcontracting provider agency
described in subdivision (b), both of the following:

(i) The state program review and audit requirements that the
CMHSP, PIHP, or subcontracting provider agency is considered to be
in compliance with.

(ii) The national accrediting entity that reviewed and
accredited the CMHSP, PIHP, or subcontracting provider agency.
(3) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety. Any cost savings attributed to this action shall be reinvested back into services.

(4) As used in this section, "national accrediting entity" means the Joint Commission, formerly known as the Joint Commission on Accreditation of Healthcare Organizations, the Commission on Accreditation of Rehabilitation Facilities, the Council on Accreditation, the URAC, formerly known as the Utilization Review Accreditation Commission, the National Committee for Quality Assurance, or another appropriate entity, as approved by the department.

Sec. 995. From the funds appropriated in part 1 for behavioral health program administration, $4,350,000.00 is intended to address the recommendations of the mental health diversion council.

Sec. 996. From the funds appropriated in part 1 for family support subsidy, the department shall make monthly payments of $229.31 to the parents or legal guardians of children approved for the family support subsidy by a CMHSP.

Sec. 997. The population data used in determining the distribution of substance use disorder block grant funds shall be from the most recent federal census.

Sec. 998. For distribution of state general funds to CMHSPs, if the department decides to use census data, the department shall use the most recent federal census data available.

Sec. 999. Within 30 days after the completion of a statewide PIHP reimbursement audit, the department shall provide the audit
report to the house and senate appropriations subcommittees on the
department budget, the house and senate fiscal agencies, the house
and senate policy offices, and the state budget office.

**BEHAVIORAL HEALTH SERVICES**

Sec. 1001. By December 31 of the current fiscal year, each
CMHSP shall submit a report to the department that identifies
populations being served by the CMHSP broken down by program
eligibility category. The report shall also include the percentage
of the operational budget that is related to program eligibility
enrollment. By January 15 of the current fiscal year, the
department shall submit the report described in this section to the
senate and house appropriations subcommittees on the department
budget, the senate and house fiscal agencies, the senate and house
policy offices, and the state budget office.

Sec. 1003. The department shall notify the Community Mental
Health Association of Michigan when developing policies and
procedures that will impact PIHPs or CMHSPs.

Sec. 1004. The department shall provide the senate and house
appropriations subcommittees on the department budget, the senate
and house fiscal agencies, and the state budget office any rebased
formula changes to either Medicaid behavioral health services or
non-Medicaid mental health services 90 days before implementation.
The notification shall include a table showing the changes in
funding allocation by PIHP for Medicaid behavioral health services
or by CMHSP for non-Medicaid mental health services.

Sec. 1008. PIHPs and CMHSPs shall do all of the following:
(a) Work to reduce administration costs by ensuring that PIHP and CMHSP responsible functions are efficient in allowing optimal transition of dollars to those direct services considered most effective in assisting individuals served. Any consolidation of administrative functions must demonstrate, by independent analysis, a reduction in dollars spent on administration resulting in greater dollars spent on direct services. Savings resulting from increased efficiencies shall not be applied to PIHP and CMHSP net assets, internal service fund increases, building costs, increases in the number of PIHP and CMHSP personnel, or other areas not directly related to the delivery of improved services.

(b) Take an active role in managing mental health care by ensuring consistent and high-quality service delivery throughout its network and promote a conflict-free care management environment.

(c) Ensure that direct service rate variances are related to the level of need or other quantifiable measures to ensure that the most money possible reaches direct services.

(d) Whenever possible, promote fair and adequate direct care reimbursement, including fair wages for direct service workers.

Sec. 1009. (1) From the funds appropriated in part 1 for Medicaid mental health services and Healthy Michigan plan - behavioral health, the department shall maintain the hourly wage for direct care workers from the previous fiscal year. Funds provided in this section must be utilized by a PIHP to maintain the wage increase for direct care worker wages, for the employer's share of federal insurance contributions act costs, purchasing
worker's compensation insurance, or the employer's share of unemployment costs.

(2) Each PIHP shall report to the department by February 1 of the current fiscal year the range of wages paid to direct care workers, including information on the number of direct care workers at each wage level.

(3) The department shall report the information required to be reported according to subsection (2) to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Sec. 1051. 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. A portion of revenues collected through project efforts may be used for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 1052. 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.
Sec. 1053. The funds appropriated in part 1 for behavioral health facility contingency are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 1055. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or PIHPs have programs and services in place for those individuals currently in those facilities and a plan for service provision for those individuals who would have been admitted to those facilities.

(2) All closures or consolidations are dependent upon adequate department-approved CMHSP and PIHP plans that include a discharge and aftercare plan for each individual currently in the facility. A discharge and aftercare plan shall address the individual's housing needs. A homeless shelter or similar temporary shelter arrangements are inadequate to meet the individual'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 and senate appropriations subcommittees on the department budget 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 PIHPs responsible for providing services for individuals previously served by the operations.
Sec. 1056. 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.

Sec. 1057. From the funds appropriated in part 1 for Kalamazoo Psychiatric Hospital, the department shall appropriate $100.00 to hire additional staff at the Kalamazoo psychiatric hospital.

Sec. 1058. Effective October 1 of the current fiscal year, the department, in consultation with the department of technology, management, and budget, may maintain a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the department as capable of generating savings through the outsourcing of such services.

Sec. 1059. The department shall identify specific outcomes and performance measures for state-operated hospitals and centers, including, but not limited to, the following:

(a) The average wait time for persons determined incompetent to stand trial before admission to the center for forensic psychiatry.

(b) The average wait time for persons determined incompetent to stand trial before admission to other state-operated psychiatric
facilities.

(c) The number of persons waiting to receive services at the center for forensic psychiatry.

(d) The number of persons waiting to receive services at other state-operated hospitals and centers.

(e) The number of persons determined not guilty by reason of insanity or incompetent to stand trial through an order by the probate court that have been determined to be ready for discharge to the community, and the average wait time between being determined to be ready for discharge to the community and actual community placement.

(f) The number of persons denied services at the center for forensic psychiatry.

(g) The number of persons denied services at other state-operated hospitals and centers.

Sec. 1060. (1) The department shall continue to convene a workgroup that meets at least quarterly in collaboration with the chairs of the house and senate appropriations subcommittees on the department budget or their designees, labor union representation, civil service, and any other appropriate parties to recommend solutions to address mandatory overtime, staff turnover, and staff retention at the state psychiatric hospitals and centers, including, but not limited to, permitting retired workers to return and permitting hiring of part-time workers.

(2) By March 1 of the current fiscal year, the department shall provide a status update on the implementation of the workgroup's recommendations to the senate and house appropriations
subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office.

Sec. 1061. The funds appropriated in part 1 for Caro Regional Mental Health Center shall only be utilized to support a psychiatric hospital located at its current location. It is the intent of the legislature that the Caro Regional Mental Health Center shall remain open and operational at its current location on an ongoing basis. Capital outlay funding shall be utilized for planning and construction of a new or updated facility at the current location instead of at a new location.

Sec. 1062. The department shall continue to identify and implement efforts to address staffing shortages in the state psychiatric hospital system. By March 1 of the current fiscal year, the department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on all of the following:

(a) The measures being implemented to hire qualified trained staff, address staff overtime and staff turnover, and improve staff retention.

(b) The number of direct care and clinical staff positions that are currently vacant.

(c) The range of wages paid by position broken down by state-operated hospital or center.

HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES

Sec. 1140. From the funds appropriated in part 1 for primary
care services, $250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, "free health clinics" means nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 1141. From the funds appropriated in part 1 for Michigan essential health provider, $100.00 shall be appropriated to assist in the repayment of medical education loans. A participating physician shall enter into a contract to work with an employer for no less than 2 years in a federally designated health provider shortage area with a population no greater than 40,000 according to the most recent federal decennial census.

Sec. 1142. The department shall continue to seek means to increase retention of Michigan medical school students for completion of their primary care residency requirements within this state and ultimately, for some period of time, to remain in this state and serve as primary care physicians. The department is encouraged to work with Michigan institutions of higher education.

Sec. 1144. (1) From the funds appropriated in part 1 for health policy administration, the department shall allocate the federal state innovation model grant funding that supports implementation of the health delivery system innovations detailed in this state's "Reinventing Michigan's Health Care System: Blueprint for Health Innovation" document. This initiative will test new payment methodologies, support improved population health outcomes, and support improved infrastructure for technology and
data sharing and reporting. The funds will be used to provide financial support directly to regions participating in the model test and to support statewide stakeholder guidance and technical support.

(2) Outcomes and performance measures for the initiative under subsection (1) include, but are not limited to, the following:

(a) Increasing the number of physician practices fulfilling patient-centered medical home functions.

(b) Reducing inappropriate health utilization, specifically reducing preventable emergency department visits, reducing the proportion of hospitalizations for ambulatory sensitive conditions, and reducing this state's 30-day hospital readmission rate.

(3) On a semiannual basis, the department shall submit a written report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on the status of the program and progress made since the prior report.

(4) From the funds appropriated in part 1 for health policy administration, any data aggregator created as part of the allocation of the federal state innovation model grant funds must meet the following standards:

(a) The primary purpose of the data aggregator must be to increase the quality of health care delivered in this state, while reducing costs.

(b) The data aggregator must be governed by a nonprofit entity.

(c) All decisions regarding the establishment, administration,
and modification of the database must be made by an advisory board. The membership of the advisory board must include the director of the department or a designee of the director and representatives of health carriers, consumers, and purchasers.

(d) The Michigan Data Collaborative shall be the data aggregator to receive health care claims information from, without limitation, commercial health carriers, nonprofit health care corporations, health maintenance organizations, and third party administrators that process claims under a service contract.

(e) The data aggregator must use existing data sources and technological infrastructure, to the extent possible.

Sec. 1145. The department will take steps necessary to work with Indian Health Service, tribal health program facilities, or Urban Indian Health Program facilities that provide services under a contract with a Medicaid managed care entity to ensure that those facilities receive the maximum amount allowable under federal law for Medicaid services.

Sec. 1150. The department shall coordinate with the department of licensing and regulatory affairs, the department of the attorney general, all appropriate law enforcement agencies, and the Medicaid health plans to reduce fraud related to opioid prescribing within Medicaid, and to address other appropriate recommendations of the prescription drug and opioid abuse task force outlined in its report of October 2015. By October 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and
the state budget office on steps the department has taken to
coordinate with the entities listed in this section and other
stakeholders to reduce fraud related to opioid prescribing, and to
address other appropriate recommendations of the task force.

Sec. 1151. The department shall coordinate with the department
of licensing and regulatory affairs, the department of the attorney
general, all appropriate law enforcement agencies, and the Medicaid
health plans to work with local substance use disorder agencies and
addiction treatment providers to help inform Medicaid beneficiaries
of all medically appropriate treatment options for opioid addiction
when their treating physician stops prescribing prescription opioid
medication for pain, and to address other appropriate
recommendations of the prescription drug and opioid abuse task
force outlined in its report of October 2015. By October 1 of the
current fiscal year, the department shall submit a report to the
senate and house appropriations subcommittees on the department
budget, the senate and house fiscal agencies, the senate and house
policy offices, and the state budget office on how the department
is working with local substance use disorder agencies and addiction
treatment providers to ensure that Medicaid beneficiaries are
informed of all available and medically appropriate treatment
options for opioid addiction when their treating physician stops
prescribing prescription opioid medication for pain, and to address
other appropriate recommendations of the task force. The report
shall include any potential barriers to medication-assisted
treatment, as recommended by the Michigan medication-assisted
treatment guidelines, for Medicaid beneficiaries in both office-
based opioid treatment and opioid treatment program facility settings.

Sec. 1152. The Michigan rehabilitation services shall work collaboratively with the bureau of services for blind persons, service organizations, and government entities to identify qualified match dollars to maximize use of available federal vocational rehabilitation funds.

Sec. 1153. The department shall provide an annual report by February 1 to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on efforts taken to improve the Michigan rehabilitation services. The report shall include all of the following items:

(a) Reductions and changes in administration costs and staffing.
(b) Service delivery plans and implementation steps achieved.
(c) Reorganization plans and implementation steps achieved.
(d) Plans to integrate Michigan rehabilitative services programs into other services provided by the department.
(e) Quarterly expenditures by major spending category.
(f) Employment and job retention rates from both Michigan rehabilitation services and its nonprofit partners.
(g) Success rate of each district in achieving the program goals.

Sec. 1154. (1) From the funds appropriated in part 1 for Michigan rehabilitation services, the department shall allocate $50,000.00 along with available federal match to support the
provision of vocational rehabilitation services to eligible agricultural workers with disabilities. Authorized services shall assist agricultural workers with disabilities in acquiring or maintaining quality employment and independence.

(2) By March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the total number of clients served and the total amount of federal matching funds obtained throughout the duration of the program.

Sec. 1155. It is the intent of the legislature that Michigan rehabilitation services shall not implement an order of selection for vocational and rehabilitative services. If the department is at risk of entering into an order of selection for services, the department shall notify the chairs of the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices within 2 weeks of receiving notification.

Sec. 1156. From the funds appropriated in part 1 for Michigan rehabilitation services, the department shall allocate $6,100,300.00, including federal matching funds, to service authorizations with community-based rehabilitation organizations for an array of needed services throughout the rehabilitation process.

Sec. 1158. (1) Funds appropriated in part 1 for independent living shall be used to support the general operations of centers for independent living in delivering mandated independent living
services in compliance with federal rules and regulations for the centers, by existing centers for independent living to serve underserved areas, and for projects to build the capacity of centers for independent living to deliver independent living services. Applications for the funds shall be reviewed in accordance with criteria and procedures established by the department. The funds appropriated in part 1 may be used to leverage federal vocational rehabilitation funds up to $5,543,000.00, if available. If the possibility of matching federal funds exists, the centers for independent living network will negotiate a mutually beneficial cooperative agreement with Michigan rehabilitation services. Funds shall be used in a manner consistent with the state plan for independent living. Services provided should assist people with disabilities to move toward self-sufficiency, including support for accessing transportation and health care, obtaining employment, community living, nursing home transition, information and referral services, education, youth transition services, veterans, and stigma reduction activities and community education. This includes the independent living guide services that specifically focus on economic self-sufficiency.

(2) The Michigan centers for independent living shall provide a report by March 1 of the current fiscal year to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on direct customer and system outcomes and performance measures.
EPIDEMIOLOGY AND POPULATION HEALTH

Sec. 1180. From the funds appropriated in part 1 for epidemiology administration and for childhood lead program, the department shall maintain a public health drinking water unit and maintain enhanced efforts to monitor child blood lead levels. The public health drinking water unit shall ensure that appropriate investigations of potential health hazards occur for all community and noncommunity drinking water supplies where chemical exceedances of action levels, health advisory levels, or maximum contaminant limits are identified. The goals of the childhood lead program shall include improving the identification of affected children, the timeliness of case follow-up, and attainment of nurse care management for children with lead exposure, and to achieve a long-term reduction in the percentage of children in this state with elevated blood lead levels.

Sec. 1181. From the funds appropriated in part 1 for epidemiology administration, the department shall maintain a vapor intrusion response unit. The vapor intrusion response unit shall assess risks to public health at vapor intrusion sites and respond to vapor intrusion risks where appropriate. The goals of the vapor intrusion response unit shall include reducing the number of residents of this state exposed to toxic substances through vapor intrusion and improving health outcomes for individuals that are identified as having been exposed to vapor intrusion.

Sec. 1182. (1) From the funds appropriated in part 1 for the healthy homes program, no less than $1,750,000.00 of general fund/general purpose funds and $23,480,000.00 of federal funds
shall be allocated for lead abatement of homes.

(2) By January 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on the expenditures and activities undertaken by the lead abatement program in the previous fiscal year from the funds appropriated in part 1 for the healthy homes program. The report shall include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

LOCAL HEALTH AND ADMINISTRATIVE SERVICES

Sec. 1220. The amount appropriated in part 1 for implementation of the 1993 additions of or amendments to sections 9161, 16221, 16226, 17014, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and 333.17515, shall be used to reimburse local health departments for costs incurred related to implementation of section 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 1221. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1 of the current fiscal year, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal
to no more than 6.25% of the local health department's essential
local public health services funding. This penalty shall only be
assessed to the local county that requests the dissolution of the
health department.

Sec. 1222. (1) Funds appropriated in part 1 for essential
local public health services shall be prospectively allocated to
local health departments to support immunizations, infectious
disease control, sexually transmitted disease control and
prevention, hearing screening, vision services, food protection,
public water supply, private groundwater supply, and on-site sewage
management. Food protection shall be provided in consultation with
the department of agriculture and rural development. Public water
supply, private groundwater supply, and on-site sewage management
shall be provided in consultation with the department of
environment, great lakes, and energy.

(2) Local public health departments shall be held to
contractual standards for the services in subsection (1).

(3) Distributions in subsection (1) shall be made only to
counties that maintain local spending in the current fiscal year of
at least the amount expended in fiscal year 1992-1993 for the
services described in subsection (1).

(4) By December 1 of the current fiscal year, the department
shall provide a report to the house and senate appropriations
subcommittees on the department budget, the house and senate fiscal
agencies, and the state budget director on the planned allocation
of the funds appropriated for essential local public health
services.
Sec. 1225. The department shall work with the Michigan health endowment fund corporation established under section 653 of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1653, to explore ways to fund and evaluate current and future policies and programs.

Sec. 1226. From the funds appropriated in part 1 for chronic disease control and health promotion administration, $100.00 shall be allocated for a school children's healthy exercise program to promote and advance physical health for school children in kindergarten through grade 8. The department shall recommend model programs for sites to implement that incorporate evidence-based best practices. The department shall grant no less than 1/2 of the funds appropriated in part 1 for before- and after-school programs. The department shall establish guidelines for program sites, which may include schools, community-based organizations, private facilities, recreation centers, or other similar sites. The program format shall encourage local determination of site activities and shall encourage local inclusion of youth in the decision-making regarding site activities. Program goals shall include children experiencing improved physical health and access to physical activity opportunities, the reduction of obesity, providing a safe place to play and exercise, and nutrition education. To be eligible to participate, program sites shall provide a 20% match to the state funding, which may be provided in full, or in part, by a corporation, foundation, or private partner. The department shall seek financial support from corporate, foundation, or other private partners for the program or for individual program sites.
Sec. 1227. The department shall establish criteria for all
funds allocated for health and wellness initiatives. The criteria
must include a requirement that all programs funded be evidence-
based and supported by research, include interventions that have
been shown to demonstrate outcomes that lower cost and improve
quality, and be designed for statewide impact. Preference must be
given to programs that utilize the funding as match for additional
resources, including, but not limited to, federal sources.

Sec. 1228. (1) From the funds appropriated in part 1 for
injury control intervention project, $100.00 shall be allocated for
implementation of evidence-based, real-time, quality assurance
decision support software in the treatment of pediatric traumatic
brain injury and for protocols that are to be available to all
hospitals providing those trauma services. The funds shall be used
to purchase statewide licenses for pediatric traumatic brain injury
treatment software and related software services and to offset
hospital software integration costs. The department shall seek
federal matching funds that may be available for implementation of
this section.

(2) By March 1 of the current fiscal year, the department
shall report to the senate and house appropriations subcommittees
on the department budget, the senate and house fiscal agencies, the
senate and house policy offices, and the state budget office on
both of the following:

(a) Expenditures broken down by purpose of expenditure.
(b) Expenditures broken down by hospital.

Sec. 1231. From the funds appropriated for local health
services, up to $4,750,000.00 shall be allocated for grants to local public health departments to support PFAS response and emerging public health threat activities. A portion of the funding shall be allocated by the department in a collaborative fashion with local public health departments in jurisdictions experiencing PFAS contamination. The remainder of the funding shall be allocated to address infectious and vector-borne disease threats, and other environmental contamination issues such as vapor intrusion, drinking water contamination, and lead exposure. The funding shall be allocated to address issues including, but not limited to, staffing, planning and response, and creation and dissemination of materials related to PFAS contamination issues and other emerging public health issues and threats.

Sec. 1232. It is the intent of the legislature that the United States Department of Defense shall reimburse the state for costs associated with PFAS and environmental contamination response at military training sites and support facilities.

Sec. 1233. General fund and state restricted fund appropriations in part 1 shall not be expended for PFAS and environmental contamination response where federal funding or private grant funding is available for the same expenditures.

Sec. 1234. (1) By October 1 of the current fiscal year, the department shall implement the distribution formula for the allocation of essential local public health services funding to local health departments as specified by section 1234 of article X of 2018 PA 207.

(2) From the funds appropriated in part 1 for essential local
public health services, each local public health department is allocated not less than the amount allocated to that local public health department during the previous fiscal year.

FAMILY HEALTH SERVICES

Sec. 1301. (1) Before April 1 of the current fiscal year, the department shall submit a report to the house and senate fiscal agencies and the state budget director on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

(a) Funding allocations.

(b) Actual number of women, children, and adolescents served and amounts expended for each group for the immediately preceding fiscal year.

(c) A breakdown of the expenditure of these funds between urban and rural communities.

(2) The department shall ensure that the distribution of funds through the programs described in subsection (1) takes into account the needs of rural communities.

(3) For the purposes of this section, "rural" means a county, city, village, or township with a population of 30,000 or less, including those entities if located within a metropolitan statistical area.

Sec. 1302. Each family planning program receiving federal
title X family planning funds under 42 USC 300 to 300a-8 shall be in compliance with all performance and quality assurance indicators that the office of population affairs within the United States Department of Health and Human Services specifies in the program guidelines for project grants for family planning services. The department shall monitor all title X family planning programs including subgrantees and subcontractors to ensure compliance with all quality assurance indicators. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1303. The department shall not contract with an organization that provides elective abortions, abortion counseling, or abortion referrals, for services that are to be funded with state restricted or state general fund/general purpose funds appropriated in part 1. An organization under contract with the department shall not subcontract with an organization that provides elective abortions, abortion counseling, or abortion referrals, for services that are to be funded with state restricted or state general fund/general purpose funds appropriated in part 1.

Sec. 1304. The department shall not use state restricted funds or state general funds, or allow grantees or subcontractors to use funds, appropriated in part 1 in the pregnancy prevention program or family planning local agreements appropriation line items for abortion counseling, referrals, or services.

Sec. 1305. (1) From the funds appropriated in part 1 for family planning local agreements, the pregnancy prevention program, Michigan essential health providers, essential local public health services, and maternal and child health, the department shall not
contract with or award grants to an entity that engages in 1 or more of the activities described in section 1(2) of 2002 PA 360, MCL 333.1091, if the entity is located in a county or health district where family planning or pregnancy prevention services are provided by the county, the health district, or a qualified entity that does not engage in any of the activities described in section 1(2) of 2002 PA 360, MCL 333.1091.

(2) The department shall give priority to counties or health districts where no contracts or grants currently exist for family planning local agreements, or the pregnancy prevention program, Michigan essential health providers, essential local public health services, and maternal and child health, before contracting with or awarding grants to an entity that engages in 1 or more of the activities described in section 1(2) of 2002 PA 360, MCL 333.1091, if that entity is located in a county where family planning programs, pregnancy prevention programs, Michigan essential health providers, essential local public health services, and maternal and child health, are provided by the county, the health district, or another qualified entity that does not engage in the activities described in section 1(2) of 2002 PA 360, MCL 333.1091.

Sec. 1307. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, $750,000.00 of TANF revenue shall be allocated for a pregnancy and parenting support services program, which must promote childbirth, alternatives to abortion, and grief counseling. The department shall establish a program with a qualified contractor that will contract with qualified service providers to provide free counseling, support,
and referral services to eligible women during pregnancy through 12 months after birth. As appropriate, the goals for client outcomes shall include an increase in client support, an increase in childbirth choice, an increase in adoption knowledge, an improvement in parenting skills, and improved reproductive health through abstinence education. The contractor of the program shall provide for program training, client educational material, program marketing, and annual service provider site monitoring. The department shall submit a report to the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies by April 1 of the current fiscal year on the number of clients served.

Sec. 1308. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, not less than $500,000.00 of funding shall be allocated for evidence-based programs to reduce infant mortality including nurse family partnership programs. The funds shall be used for enhanced support and education to nursing teams or other teams of qualified health professionals, client recruitment in areas designated as underserved for obstetrical and gynecological services and other high-need communities, strategic planning to expand and sustain programs, and marketing and communications of programs to raise awareness, engage stakeholders, and recruit nurses.

Sec. 1309. The department shall allocate funds appropriated in section 117 of part 1 for family, maternal, and child health according to section 1 of 2002 PA 360, MCL 333.1091.

Sec. 1310. Each family planning program receiving federal
title X family planning funds under 42 USC 300 to 300a-8 must be in compliance with all title X rules established by the Office of Population Affairs within the United States Department of Health and Human Services. The department shall monitor all title X family planning programs to ensure compliance with all federal title X rules. An agency not in compliance with the rules shall not receive supplemental or reallocated funds.

Sec. 1311. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, not less than $2,750,000.00 state general fund/general purpose funds shall be allocated for a rural home visit program. Equal consideration shall be given to all eligible evidence-based providers in all regions in contracting for rural home visitation services.

Sec. 1312. From the funds appropriated in part 1 for prenatal care and premature birth avoidance grant, the department shall allocate $1,000,000.00 as a grant to help fulfill contract obligations between the department and a federal Healthy Start Program located in a county with a population between 600,000 and 610,000 according to the most recent decennial census. To be eligible to receive funding, the organization must be a partnership between various health agencies, and utilize a social impact bonding strategy approved by the department to enhance support to underserved populations for prenatal care and premature birth avoidance.

Sec. 1313. (1) The department shall continue developing an outreach program on fetal alcohol syndrome services, targeting health promotion, prevention, and intervention as described in the

(2) The department shall explore federal grant funding to address prevention services for fetal alcohol syndrome and reduce alcohol consumption among pregnant women.

Sec. 1314. The department shall seek to enhance education and outreach efforts that encourage women of childbearing age to seek confirmation at the earliest indication of possible pregnancy and initiate continuous and routine prenatal care upon confirmation of pregnancy. The department shall seek to ensure that department programs, policies, and practices promote prenatal and obstetrical care by doing the following:

(a) Supporting access to care.
(b) Reducing and eliminating barriers to care.
(c) Supporting recommendations for best practices.
(d) Encouraging optimal prenatal habits such as prenatal medical visits, use of prenatal vitamins, and cessation of use of tobacco, alcohol, or drugs.
(e) Tracking of birth outcomes to study improvements in prevalence of fetal drug addiction, fetal alcohol syndrome, and other preventable neonatal disease.
(f) Tracking of maternal increase in healthy behaviors following childbirth.

Sec. 1315. (1) From the funds appropriated in part 1 for dental programs, $150,000.00 shall be allocated to the Michigan Dental Association for the administration of a volunteer dental program that provides dental services to the uninsured.

(2) By December 1 of the current fiscal year, the department
shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on health policy, the senate and house fiscal agencies, and the state budget office the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures from the previous fiscal year.

Sec. 1316. The department shall use revenue from mobile dentistry facility permit fees received under section 21605 of the public health code, 1978 PA 368, MCL 333.21605, to offset the cost of the permit program.

Sec. 1317. (1) From the funds appropriated in part 1 for dental programs, $550,100.00 shall be distributed to local health departments who partner with a qualified nonprofit provider of dental services for the purpose of providing high-quality dental homes for seniors, children, and adults enrolled in Medicaid, and low-income uninsured.

(2) In order to be considered a qualified nonprofit provider of dental services, the provider must demonstrate an effective health insurance enrollment process for uninsured patients and demonstrate to the department an effective process of charging patients on a sliding scale based on the patient's ability to pay.

(3) Providers shall report to the department by September 30 of the current fiscal year on outcomes and performance measures for the program under this section including, but not limited to, the following:

(a) The number of uninsured patients who visited a participating dentist over the previous year, broken down between
adults and children.

(b) The number of patients assisted with health insurance enrollment, broken down between adults and children.

(c) A 5-year trend of the number of uninsured patients being served, broken down between adults and children.

(d) The number of unique patient visits by center.

(e) The number of unique Medicaid or Healthy Michigan plan patients served broken down by center.

(f) The number of children, seniors, and veterans served broken down by center.

(g) The total value of services rendered by the organization broken down by center.

(4) Within 15 days after receipt of the report required in subsection (3), the department shall provide a copy of the report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 1319. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, $50.00 shall be allocated to a nurse family partnership program in a county with a population between 600,000 and 610,000 and $50.00 shall be allocated to a nurse family partnership program in a county with a population between 270,000 and 290,000. Population data shall be according to the most recent federal decennial census.

Sec. 1340. The department shall include national brand options on the list of approved women, infants, and children special supplemental nutrition program basket items for all categories.
Sec. 1341. The department shall utilize income eligibility and verification guidelines established by the Food and Nutrition Service agency of the United States Department of Agriculture in determining eligibility of individuals for the special supplemental nutrition program for women, infants, and children (WIC) as stated in current WIC policy.

EMERGENCY MEDICAL SERVICES, TRAUMA AND PREPAREDNESS

Sec. 1350. The department shall not require a life support agency that does not charge for its services to submit data to the Michigan emergency medical services information system or any other quality improvement program.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1360. The department may do 1 or more of the following:

(a) Provide special formula for eligible clients with specified metabolic and allergic disorders.

(b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.

(c) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

(d) Provide human growth hormone to eligible patients.

Sec. 1361. From the funds appropriated in part 1 for medical care and treatment, the department may spend those funds for the continued development and expansion of telemedicine capacity to allow families with children in the children's special health care
services program to access specialty providers more readily and in
a more timely manner. The department may spend funds to support
chronic complex care management of children enrolled in the
children's special health care services program to minimize
hospitalizations and reduce costs to the program while improving
outcomes and quality of life.

AGING AND ADULT SERVICES AGENCY

Sec. 1402. The department may encourage the Food Bank Council
of Michigan to collaborate directly with each area agency on aging
and any other organizations that provide senior nutrition services
to secure the food access of vulnerable seniors.

Sec. 1403. (1) By February 1 of the current fiscal year, the
aging and adult services agency shall require each region to report
to the aging and adult services agency and to the legislature home-
delivered meals waiting lists based upon standard criteria.
Determining criteria shall include all of the following:
(a) The recipient's degree of frailty.
(b) The recipient's inability to prepare his or her own meals
safely.
(c) Whether the recipient has another care provider available.
(d) Any other qualifications normally necessary for the
recipient to receive home-delivered meals.
(2) Data required in subsection (1) shall be recorded only for
individuals who have applied for participation in the home-
delivered meals program and who are initially determined as likely
to be eligible for home-delivered meals.
Senate Bill No. 139 as amended May 14, 2019

Sec. 1417. The department shall provide to the senate and house appropriations subcommittees on the department budget, senate and house fiscal agencies, and state budget director a report by March 30 of the current fiscal year that contains all of the following:

(a) The total allocation of state resources made to each area agency on aging by individual program and administration.

(b) Detail expenditure by each area agency on aging by individual program and administration including both state-funded resources and locally funded resources.

Sec. 1421. From the funds appropriated in part 1 for community services, $1,100,000.00 shall be allocated to area agencies on aging for locally determined needs.

Sec. 1422. (1) From the funds appropriated in part 1 for aging and adult services administration, not less than $300,000.00 shall be allocated for the department to contract with the Prosecuting Attorneys Association of Michigan to provide the support and services necessary to increase the capability of the state's prosecutors, adult protective service system, and criminal justice system to effectively identify, investigate, and prosecute elder abuse and financial exploitation.

(2) By March 1 of the current fiscal year, the Prosecuting Attorneys Association of Michigan shall provide a report on the efficacy of the contract to the state budget office, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices.

Sec. 1424. From the funds appropriated in part 1 for community services, $100.00 is appropriated for Alzheimer’s disease services and shall be remitted to the Alzheimer’s association-Michigan chapters. The Alzheimer’s association shall provide enhanced services, including 24/7 helpline, continued care consultation, and support groups, to individuals with Alzheimer’s disease or dementia and their families, and partner with a Michigan public university to study whether provision of such in-home support services significantly delays the need for residential long-term care services for individuals with Alzheimer’s disease or dementia. The study must also consider potential cost savings related to the delay of long-term care services, if a delay is shown.>
Sec. 1425. The department shall coordinate with the department of licensing and regulatory affairs to ensure that, upon receipt of the order of suspension of a licensed adult foster care home, home for the aged, or nursing home, the department of licensing and regulatory affairs shall provide notice to the department, to the house and senate appropriations subcommittees on the department budget, and to the members of the house and senate that represent the legislative districts of the county in which the facility lies.

MEDICAL SERVICES ADMINISTRATION

Sec. 1501. The unexpended funds appropriated in part 1 for the electronic health records incentive program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to implement the Medicaid electronic health record program that provides financial incentive payments to Medicaid health care providers to encourage the adoption and meaningful use of electronic health records to improve quality, increase efficiency, and promote safety.

(b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both, and according to the approved federal advanced planning document.

(c) The total estimated cost of the work project is
$37,501,000.00.

  (d) The tentative completion date is September 30, 2024.

Sec. 1502. If the department issues a new interpretation of existing Medicaid provider policy directly effecting nursing facility Medicaid cost reports, that change in policy must have a prospective effective date. A policy may have a retrospective effective date as part of a state plan amendment approval or waiver approval, or if required by state law, federal law, or judicial ruling.

Sec. 1503. It is the intent of the legislature that all funds appropriated for information technology under this part shall prioritize projects directly dedicated to protecting the public health and safety through disease surveillance, cancer support, vital records, chronic disease, newborn screenings, public health registries, and associated training or technical assistance.

Sec. 1504. (1) From the funds appropriated in part 1 for medical services administration, the department shall allocate $100.00 of general fund/general purpose revenue and any associated federal match toward the existing cloud-based analytics platform for Medicaid claims to focus on behavioral health services. The vendor shall identify areas of best practice, cost reduction, opportunities for quality improvement, and comparative cost analysis among providers, hospitals, and managed care organizations. Through the existing platform, the vendor shall facilitate specific analysis of the unique behavioral health cohort of patients that compares specific episodic metrics combined with substance use disorder data for the same time period. The data
analysis shall include the ability to adjust for variations in
patient risk and acuity differences when comparing performance
across regions and hospitals. Specific analytics for this cohort
shall provide data analysis on, but not be limited to, the
following:

(a) Readmission rates.
(b) Mortality rates and complication rates.
(c) Total episode costs, including pre- and post-discharge
costs, across high-volume episodes of care.

(2) Within 30 days after the end of the previous fiscal
quarter, the department shall make available state medical
assistance program claims data from the previous quarter, without
charge, to the vendor in subsection (1).

Sec. 1505. By March 1 of the current fiscal year, the
department shall report to the senate and house appropriations
subcommittees on the department budget, the senate and house fiscal
agencies, and the state budget office the actual increase in
reimbursement savings and cost offsets that have resulted from the
funds appropriated in part 1 for the office of inspector general
and third party liability efforts in the previous fiscal year.

Sec. 1506. The department shall submit to the senate and house
appropriations subcommittees on the department budget, the senate
and house fiscal agencies, the senate and house policy offices, and
the state budget office quarterly reports on the implementation
status of the public assistance call center that include all of the
following information:

(a) Call volume during the prior quarter.
(b) Percentage of calls resolved through the public assistance call center.

(c) Percentage of calls transferred to a local department office or other office for resolution.

Sec. 1508. (1) From the funds appropriated in part 1 for medical services administration, $500,100.00 is appropriated for the operation and maintenance of the Michigan dental registry in support of the enhanced dental benefit for the Healthy Kids Dental program. Additionally, the department shall explore the expansion of the scope of the Michigan dental registry to enhance the Medicaid adult dental benefit for pregnant women.

(2) The department shall monitor childhood caries preventative services delivered to pediatric Medicaid recipients in both medical and dental settings. By March 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the results of the program. The report shall include, but not be limited to, all of the following:

(a) Comparative data on completed referral rates from pediatric medical providers to dental providers.

(b) The reduction of caries in the Medicaid child population.

(c) Any associated long-term or short-term cost savings to the Medicaid program.

(d) Comparative data on the type of preventative services provided and which outcomes are the most effective to prevent and foster prevention behavior.
Sec. 1509. By September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the implementation of employment-related activity requirements for medical assistance. The report shall include, but is not limited to, the number of recipients who are noncompliant with the required self-sufficiency goals, an explanation of the actions undertaken, and the number of recipients subject to employment-related activity requirements.

Sec. 1511. (1) From the funds appropriated in part 1 for Healthy Michigan plan work supports, $10,000,000.00 shall be appropriated for employment and training-related services and supports to assist Healthy Michigan plan recipients to secure and maintain training and employment. The department shall work with the department of talent and economic development to coordinate with and complement existing employment-related services for the Healthy Michigan plan recipient population.

(2) Funds appropriated in part 1 for Healthy Michigan plan work supports may also be used to hire additional department field staff to educate impacted Healthy Michigan plan recipients on requirements and available services, make referrals, assess and address barriers to employment, and manage other caseload-related impacts resulting from the implementation of sections 107a and 107b of the social welfare act, MCL 400.107a and 400.107b.

(3) On a monthly basis, the department shall report to the senate and house appropriations subcommittees on the department
budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the implementation of work engagement requirement employment supports and services. The report shall include, but not be limited to, all of the following:

(a) The number of recipients currently receiving employment supports and services under this section.

(b) The total year-to-date number of recipients who have received employment supports and services under this section.

(c) The number of recipients who secured employment in this state after receiving employment supports and services under this section.

(d) The total year-to-date number of field staff hired to provide supports and services under this section.

(e) A summary of employment supports and services provided under this section.

Sec. 1512. The department shall update the Medicaid utilization and net cost report to separate nonclinical administrative costs from actual claims and encounters.

Sec. 1513. (1) The department shall create and participate in a workgroup to determine an equitable and adequate reimbursement methodology for Medicaid inpatient psychiatric hospital care. The workgroup shall include representatives from the department, the community mental health services programs, the prepaid inpatient health plans, the Michigan Association of Health Plans, the Michigan Health and Hospital Association, inpatient psychiatric facilities, Blue Cross Blue Shield of Michigan, the Michigan
Association of Community Mental Health Boards, and other
individuals and organizations considered appropriate by the
department.

(2) By September 30 of the current fiscal year, the workgroup
shall report to the senate and house appropriations subcommittees
on the department budget, the senate and house fiscal agencies, the
senate and house policy offices, and the state budget office on all
of the following:

   (a) Recommended statewide per diem rate covering professional
   and facility costs.

   (b) A list of factors, with assigned weights, that impact the
   provision of care in the inpatient psychiatric hospital care and
   recommendations for addressing those factors. Factors must include,
   but are not limited to, the following:

   (i) Patient severity level, based on APR-DRGs.

   (ii) Patient acuity level.

   (iii) Involuntary stay.

   (iv) Patient violence level.

   (v) Presence of a developmental disability.

   (vi) Need for 1-1 care.

   (vii) State bed transfer for patients awaiting transfer to a
   state bed.

   (c) The recommended state funding level for inpatient
   psychiatric hospital care to ensure inpatient psychiatric hospital
   reimbursement is equitable across hospitals and adequately covers
   hospital costs.

   (d) Recommendations for separate additional reimbursement for
the following:

(i) High cost capital improvements including nonfunded government mandates.

(ii) Costs to bring involuntary patients to court or telecourt.

(iii) Costs to cover the required 2 weeks of medications at discharge.

(iv) Transitions of care interventions by a hospital social worker when there are additional needs above standard discharge planning.

(v) Telehealth services, including pre-admission screening on inpatient units, assessments by a nonphysician provider, and ongoing psychiatric care.

(vi) Provide funding support for emergency department stays while patients await appropriate transfer or admission.

(vii) Provide reimbursement for mental health evaluation consultations conducted by specialists in the emergency department.

(3) The department shall assist in providing data to inform the workgroup discussion, assist in modeling appropriate reimbursement methods, and assist in developing the final report.

Sec. 1514. (1) For the purpose of reimbursement for Medicaid services furnished via a telecommunications system, the department shall expand the definition of "originating site" to include the patient's home, or any other established site considered appropriate by the provider.

(2) For the purpose of reimbursement for Medicaid services furnished via a telecommunications system, the department shall
expand the definition of "distant site" to include the provider's
office, or any established site considered appropriate by the
provider.

**MEDICAL SERVICES**

Sec. 1601. The cost of remedial services incurred by residents
of licensed adult foster care homes and licensed homes for the aged
shall be used in determining financial eligibility for the
medically needy. Remedial services include basic self-care and
rehabilitation training for a resident.

Sec. 1603. (1) The department may establish a program for
individuals to purchase medical coverage at a rate determined by
the department.

(2) The department may receive and expend premiums for the
buy-in of medical coverage in addition to the amounts appropriated
in part 1.

(3) The premiums described in this section shall be classified
as private funds.

Sec. 1605. The protected income level for Medicaid coverage
determined pursuant to section 106(1)(b)(iii) of the social welfare
act, 1939 PA 280, MCL 400.106, shall be 100% of the related public
assistance standard.

Sec. 1606. For the purpose of guardian and conservator
charges, the department may deduct up to $83.00 per month as an
allowable expense against a recipient's income when determining
medical services eligibility and patient pay amounts.

Sec. 1607. (1) An applicant for Medicaid, whose qualifying
condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

(2) All qualifying applicants shall be entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care shall be paid at the Medicaid fee-for-service rate in the event a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) In the event that an applicant, presumed to be eligible pursuant to subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to an applicant under this section is entitled to reimbursement for those services until such time as they are notified by the department that the applicant was found to be ineligible for Medicaid.

(4) If the preponderance of evidence in an application indicates that the applicant is not eligible for Medicaid, the department shall refer that applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy-related services.
(5) The department shall develop an enrollment process for pregnant women covered under this section that facilitates the selection of a managed care plan at the time of application.

(6) The department shall mandate enrollment of women, whose qualifying condition is pregnancy, into Medicaid managed care plans.

(7) The department shall encourage physicians to provide women, whose qualifying condition for Medicaid is pregnancy, with a referral to a Medicaid participating dentist at the first pregnancy-related appointment.

Sec. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services co-payment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

(2) Notwithstanding subsection (1), medical services reimbursement for hospital services provided to dual Medicare/medical services recipients with Medicare part B coverage only shall equal, when combined with payments for Medicare and
other third-party resources, if any, those amounts established for medical services-only patients, including capital payments.

Sec. 1620. (1) For fee-for-service Medicaid recipients, the professional dispensing fee for drugs indicated as specialty medications on the Michigan pharmaceutical products list is $20.02 or the pharmacy's usual or customary cash charge, whichever is less.

(2) For fee-for-service Medicaid recipients, for drugs not indicated as specialty drugs on the Michigan pharmaceutical products list, the professional dispensing fee for medications is as follows:

(a) For medications indicated as preferred on the department's preferred drug list, $10.80 or the pharmacy's usual or customary cash charge, whichever is less.

(b) For medications not on the department's preferred drug list, $10.64 or the pharmacy's usual or customary cash charge, whichever is less.

(c) For medications indicated as nonpreferred on the department's preferred drug list, $9.00 or the pharmacy's usual or customary cash charge, whichever is less.

(3) The department shall require a prescription co-payment for Medicaid recipients not enrolled in the Healthy Michigan plan or with an income less than 100% of the federal poverty level of $1.00 for a generic drug indicated as preferred on the department's preferred drug list and $3.00 for a brand-name drug indicated as nonpreferred on the department's preferred drug list, except as prohibited by federal or state law or regulation.
(4) The department shall require a prescription co-payment for Medicaid recipients enrolled in the Healthy Michigan plan with an income of at least 100% of the federal poverty level of $4.00 for a generic drug indicated as preferred on the department's preferred drug list and $8.00 for a brand-name drug indicated as nonpreferred on the department's preferred drug list, except as prohibited by federal or state law or regulation.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers that is available from at least 2 wholesalers who deliver in this state.

Sec. 1631. (1) The department shall require co-payments on dental, podiatric, and vision services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

(2) Except as otherwise prohibited by federal or state law or regulation, the department shall require Medicaid recipients not enrolled in the Healthy Michigan plan or with an income less than 100% of the federal poverty level to pay not less than the following co-payments:

(a) Two dollars for a physician office visit.
(b) Three dollars for a hospital emergency room visit.
(c) Fifty dollars for the first day of an inpatient hospital stay.
(d) Two dollars for an outpatient hospital visit.

(3) Except as otherwise prohibited by federal or state law or regulation, the department shall require Medicaid recipients
enrolled in the Healthy Michigan plan with an income of at least 100% of the federal poverty level to pay the following co-payments:

(a) Four dollars for a physician office visit.
(b) Eight dollars for a hospital emergency room visit.
(c) One hundred dollars for the first day of an inpatient hospital stay.
(d) Four dollars for an outpatient hospital visit or any other medical provider visit to the extent allowed by federal or state law or regulation.

Sec. 1641. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

Sec. 1644. From the funds appropriated in part 1 for hospital services and therapy, the department shall appropriate $100.00 general fund/general purpose revenue and any associated federal match to a nonprofit Michigan health system organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, that operates not less than 3 licensed adult psychiatric inpatient programs located in counties with a population not less than 1,000,000 and with a planned new hospital dedicated to mental health located in a city with a population between 98,000 and 98,500 according to the most recent decennial census for the purpose of supporting a new psychiatric residency training program.

Sec. 1645. (1) For the current fiscal year, the department shall establish the class I nursing facility current asset value
bed limit based on the rolling 15-year history of new construction.

(2) It is the intent of the legislature that, for the fiscal year beginning October 1, 2020, the department shall modify the class I nursing facility current asset value bed limit based on the rolling 15-year history of new construction. The increase in the current asset value bed limit shall not exceed 4% of the limit for the fiscal year beginning October 1, 2019.

Sec. 1646. (1) From the funds appropriated in part 1 for long-term care services, the department shall continue to administer a nursing facility quality measure initiative program. The initiative shall be financed through the quality assurance assessment for nursing homes and hospital long-term care units, and the funds shall be distributed according to the following criteria:

(a) The department shall award more dollars to nursing facilities that have a higher CMS 5-star quality measure domain rating, then adjusted to account for both positive and negative aspects of a patient satisfaction survey.

(b) A nursing facility with a CMS 5-star quality measure domain star rating of 1 or 2 must file an action plan with the department describing how it intends to use funds appropriated under this section to increase quality outcomes before funding shall be released.

(c) The total incentive dollars must reflect the following Medicaid utilization scale:

(i) For nursing facilities with a Medicaid participation rate of above 63%, the facility shall receive 100% of the incentive payment.
(ii) For nursing facilities with a Medicaid participation rate between 50% and 63%, the facility shall receive 75% of the incentive payment.

(iii) For nursing facilities with a Medicaid participation rate of less than 50%, the facility shall receive a payment proportionate to their Medicaid participation rate.

(iv) For nursing facilities not enrolled in Medicaid, the facility shall not receive an incentive payment.

(d) Facilities designated as special focus facilities are not eligible for any payment under this section.

(e) Number of licensed beds.

(2) The department and nursing facility representatives shall evaluate the program's effectiveness on quality, measured by the change in the CMS 5-star quality measure domain rating since the implementation of this section. By March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the findings of the evaluation.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient
will require further medical service or hospitalization beyond the point of stabilization, that hospital shall receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) do not require an alteration to an existing agreement between an HMO and its contracting hospitals and do not require an HMO to reimburse for services that are not considered to be medically necessary.

Sec. 1659. The following sections of this part are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, MIChoice long-term care plan, and the mental health, substance use disorder, and developmentally disabled services program: 904, 908, 911, 918, 920, 924, 928, 942, 964, 994, 999, 1008, 1009, 1514, 1607, 1657, 1662, 1670, 1673, 1677, 1696, 1697, 1699, 1700, 1702, 1704, 1757, 1763, 1764, 1775, 1791, 1801, 1806, 1809, 1820, 1850, 1862, 1871, 1874, 1875, 1882, 1888, and 1894.

Sec. 1662. (1) The department shall ensure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and HEDIS well child health measures in accordance with the National Committee for Quality Assurance prescribed methodology.

(3) The department shall provide a copy of the analysis of the Medicaid HMO annual audited HEDIS reports and the annual external
quality review report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

Sec. 1670. (1) The appropriation in part 1 for the MIChild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 212% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for MIChild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this part and part 1.

(2) The department may provide up to 1 year of continuous eligibility to children eligible for the MIChild program unless the family fails to pay the monthly premium, a child reaches age 19, or the status of the children's family changes and its members no longer meet the eligibility criteria as specified in the state plan.

(3) The department may make payments on behalf of children enrolled in the MIChild program as described in the MIChild state plan approved by the United States Department of Health and Human Services, or from other medical services.

Sec. 1673. The department may establish premiums for MIChild eligible individuals in families with income at or below 212% of
the federal poverty level. The monthly premiums shall be $10.00 per month.

Sec. 1677. The MIChild program shall provide, at a minimum, all benefits available under the Michigan benchmark plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance use disorder treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance use disorder services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MIChild state plan.

(e) Substance use disorder treatment services that may include inpatient, outpatient, and residential substance use disorder treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1682. (1) In addition to the appropriations in part 1, the department is authorized to receive and spend penalty money
received as the result of noncompliance with medical services
certification regulations. Penalty money, characterized as private
funds, received by the department shall increase authorizations and
allotments in the long-term care accounts.

(2) Any unexpended penalty money, at the end of the year,
shall carry forward to the following year.

Sec. 1692. (1) The department is authorized to pursue
reimbursement for eligible services provided in Michigan schools
from the federal Medicaid program. The department and the state
budget director are authorized to negotiate and enter into
agreements, together with the department of education, with local
and intermediate school districts regarding the sharing of federal
Medicaid services funds received for these services. The department
is authorized to receive and disburse funds to participating school
districts pursuant to such agreements and state and federal law.

(2) From the funds appropriated in part 1 for medical services
school-based services payments, the department is authorized to do
all of the following:

(a) Finance activities within the medical services
administration related to this project.

(b) Reimburse participating school districts pursuant to the
fund-sharing ratios negotiated in the state-local agreements
authorized in subsection (1).

(c) Offset general fund costs associated with the medical
services program.

Sec. 1693. The special Medicaid reimbursement appropriation in
part 1 may be increased if the department submits a medical
services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

Sec. 1694. From the funds appropriated in part 1 for special Medicaid reimbursement, $966,700.00 of general fund/general purpose revenue and any associated federal match shall be distributed for poison control services to an academic health care system that has a high indigent care volume.

Sec. 1696. If an applicant for Medicaid coverage through the Healthy Michigan plan received medical coverage in the previous fiscal year through traditional Medicaid, and is still eligible for coverage through traditional Medicaid, the applicant is not eligible to receive coverage through the Healthy Michigan plan.

Sec. 1697. The department shall require that Medicaid health plans administering Healthy Michigan plan benefits maintain a network of dental providers in sufficient numbers, mix, and geographic locations throughout their respective service areas in order to provide adequate dental care for Healthy Michigan plan enrollees.

Sec. 1699. (1) The department may make separate payments in the amount of $45,000,000.00 directly to qualifying hospitals serving a disproportionate share of indigent patients and to hospitals providing GME training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid recipients, hospitals shall not include GME costs or DSH payments in their contracts with HMOs.
The department shall allocate $45,000,000.00 in DSH funding using the distribution methodology used in fiscal year 2003-2004.

Sec. 1700. (1) By December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the distribution of funding provided, and the net benefit if the special hospital payment is not financed with general fund/general purpose revenue, to each eligible hospital during the previous fiscal year from the following special hospital payments:

(a) DSH, separated out by unique DSH pool.

(b) GME.

(c) Special rural hospital payments provided under section 1802(2) of this part.

(d) Lump-sum payments to rural hospitals for obstetrical care provided under section 1802(1) of this part.

(2) By August 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the projected distribution of funding, and the projected net benefit if the special hospital payment is not financed with general fund/general purpose revenue, to each eligible hospital from the following special hospital payments:

(a) DSH, separated out by unique DSH pool.

(b) GME.

(c) Special rural hospital payments provided under section
1802(2) of this part.

(d) Lump-sum payments to rural hospitals for obstetrical care provided under section 1802(1) of this part.

Sec. 1702. From the funds appropriated in part 1, the department shall maintain the 15% rate increase provided during the fiscal year ending September 30, 2017 for private duty nursing services for Medicaid beneficiaries under the age of 21. These additional funds must be used to attract and retain highly qualified registered nurses and licensed practical nurses to provide private duty nursing services so that medically frail children can be cared for in the most homelike setting possible.

Sec. 1704. (1) From the funds appropriated in part 1 for health plan services, the department shall maintain the Medicaid adult dental benefit for pregnant women enrolled in a Medicaid program.

(2) Outcomes and performance measures for the program change under this section include, but are not limited to, the following:

(a) The number of pregnant women enrolled in Medicaid who visited a dentist over the prior year.

(b) The number of dentists statewide who participate in providing dental services to pregnant women enrolled in Medicaid.

Sec. 1730. The department shall continue to maintain enhanced assessment tools established in collaboration with the department of education that promote literacy development of pregnant women and new mothers in the maternal infant health program. When possible, the department shall include new fathers of the infants in the literacy promotion efforts that are included in the
assessment tools and in the subsequent services provided. The
assessment tools shall expand the assessment of maternal and
parental literacy and provide support and referrals to resources to
enable program participants to achieve an increase in literacy that
may contribute to improvements in family health, economic, and life
outcomes.

Sec. 1757. The department shall obtain proof from all Medicaid
recipients that they are legal United States citizens or otherwise
legally residing in this country and that they are residents of
this state before approving Medicaid eligibility.

Sec. 1763. During the next contract renewal period, the
department shall issue an RFP for a 3-year contract for actuarial
services, including, but not limited to, capitation rate setting
for Medicaid and the Healthy Michigan plan. The department shall
notify the senate and house appropriations subcommittees on the
department budget, the senate and house fiscal agencies, and the
senate and house policy offices on what vendors submitted bids for
the contract, which vendor received the contract, the evaluation
process, and the criteria used once an award for actuarial services
has been made.

Sec. 1764. The department shall annually certify whether rates
paid to Medicaid health plans and specialty PIHPs are actuarially
sound in accordance with federal requirements and shall provide a
copy of the rate certification and approval of rates paid to
Medicaid health plans and specialty PIHPs within 5 business days
after certification or approval to the senate and house
appropriations subcommittees on the department budget, the senate
Senate Bill No. 139 as amended May 14, 2019
and house fiscal agencies, and the state budget office. Following
the rate certification, the department shall ensure that no new or
revised state Medicaid policy bulletin that is promulgated
materially impacts the capitation rates that have been certified in
a negative manner.

Sec. 1775. (1) By March 1 of the current fiscal year, the
department shall report to the senate and house appropriations
subcommittees on the department budget, the senate and house fiscal
agencies, and the state budget office on progress in implementing
the waiver to implement managed care for individuals who are
eligible for both Medicare and Medicaid, known as MI Health Link,
any problems and potential solutions as identified by the ombudsman
described in subsection (2).

(2) The department shall ensure the existence of an ombudsman
program that is not associated with any project service manager or
provider to assist MI Health Link beneficiaries with navigating
complaint and dispute resolution mechanisms and to identify
problems in the demonstrations and in the complaint and dispute
resolution mechanisms.

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Sec. 1782. Subject to federal approval, from the funds appropriated in part 1 for health plan services, the department shall allocate $740,000.00 general fund/general purpose plus any available work project funds and federal match through an administered contract with oversight from Medical Services Administration and Population Health. The funds shall be used to support a statewide media campaign for improving this state's immunization rates.

Sec. 1791. From the funds appropriated in part 1 for health plan services and physician services, the department shall provide Medicaid reimbursement rates for neonatal services at 95% of the Medicare rate received for those services in effect on the date the services are provided to eligible Medicaid recipients. The current procedural terminology (CPT) codes that are eligible for this reimbursement rate increase are 99468, 99469, 99471, 99472, 99475, 99476, 99477, 99478, 99479, and 99480.

Sec. 1792. By April 30 of the current fiscal year, the department shall evaluate pharmacy encounter data through the first 2 quarters of the fiscal year to determine in consultation with the Medicaid health plans if rates must be recertified.

Sec. 1800. For the distribution of each of the pools within the $85,000,000.00 outpatient disproportionate share hospital payment, the department shall maintain a formula for the
distribution of each pool based on the quality of care, cost, traditional disproportionate share hospital factors such as Medicaid utilization and uncompensated care, and any other factor that the department determines should be considered.

Sec. 1801. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase to Medicaid rates for primary care services provided only by primary care providers. For the purpose of this section, a primary care provider is a physician, or a practitioner working under the personal supervision of a physician, who is either licensed under part 170 or part 175 of the public health code, 1978 PA 368, MCL 333.17001 to 333.17097 and 333.17501 to 333.17556, and working as a primary care provider in general practice or board-eligible or certified with a specialty designation of family medicine, general internal medicine, or pediatric medicine, or a provider who provides the department with documentation of equivalency. Providers performing a service and whose primary practice is as a non-primary-care subspecialty is not eligible for the increase. The department shall establish policies that most effectively limit the increase to primary care providers for primary care services only.

Sec. 1802. (1) From the funds appropriated in part 1 for hospital services and therapy, $9,178,300.00 in general fund/general purpose revenue shall be provided as lump-sum payments to hospitals that qualified for rural hospital access payments in fiscal year 2013-2014 and that provide obstetrical care in the current fiscal year. Payment amounts shall be based on the volume
of obstetrical care cases and newborn care cases for all such cases billed by each qualified hospital in the most recent year for which data is available. Payments shall be made by January 1 of the current fiscal year.

(2) From the funds appropriated in part 1 for hospital services and therapy and Healthy Michigan plan, $19,800,000.00 in general fund/general purpose revenue and any associated federal match shall be awarded as rural access payments to hospitals that meet criteria established by the department for services to low-income rural residents. One of the reimbursement components of the distribution formula shall be assistance with labor and delivery services. The department shall ensure that the rural access payments described in this subsection shall be distributed in a manner that ensures both of the following:

(a) No hospital or hospital system shall receive more than 10.0% of the total funding referenced in this subsection.

(b) To allow hospitals to understand their rural payment amounts under this subsection, the department shall provide hospitals with the methodology for distribution under this subsection and provide each hospital with its applicable data that are used to determine the payment amounts by August 1 of the current fiscal year. The department shall publish the distribution of payments for the current fiscal year and the immediately preceding fiscal year.

(3) From the funds appropriated in part 1 for hospital services and therapy, $100.00 in general fund/general purpose revenue and any associated federal match shall be provided as
critical access payments to critical access hospitals.

Sec. 1803. To the extent allowed under federal law or regulation, the department shall establish rules to allow for billing to and reimbursement by the Medicaid program directly for transportation charges related to portable x-ray services rendered to patients residing in a nursing facility or an assisted living facility, or who are otherwise homebound. The corresponding reimbursement policies shall be effective as of October 1 of the current fiscal year.

Sec. 1804. (1) The department shall enter into an interagency agreement, in cooperation with the department of military and veterans affairs, in order to work with the federal public assistance reporting information system to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits. The interagency agreement shall include the specific outcome and performance reporting requirements described in this section. The interagency agreement shall require the department of military and veterans affairs to provide all of the following items by January 1 of the current fiscal year to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices:

(a) The number of veterans identified by the department through eligibility determinations.

(b) The number of veterans referred to the department of military and veterans affairs.

(c) The number of referrals made by the department that were
contacted by the department of military and veterans affairs.

(d) The number of referrals made by the department that were eligible for veterans health care benefits or other benefits.

(e) The specific actions and efforts undertaken by the department and the department of military and veterans affairs to identify female veterans who are applying for public assistance benefits, but who are eligible for veterans benefits.

(2) By October 1 of the current fiscal year, the department shall change the public assistance application form from asking whether the prospective applicant was a veteran to asking whether the applicant had ever served in the military.

Sec. 1805. Acute care hospitals receiving medical services payments for graduate medical education shall submit fully completed quality data to a nonprofit organization with extensive experience in collecting and reporting hospital quality data on a public website. The reporting must utilize consensus-based nationally endorsed standards that meet National Quality Forum-endorsed safe practices. The organization collecting the data must be an organization that uses severity-adjusted risk models and measures that will help patients and payers identify hospital campuses likely to have superior outcomes. The public website shall provide information to allow consumers to compare safe practices by hospital campus, including, but not limited to, perinatal care, hospital-acquired infection, and serious reportable events. Acute care hospitals receiving medical services payments for graduate medical education shall also make their fully completed quality data available on the hospital's website. The department shall
withhold 25% of a hospital's graduate medical education payment if
the hospital does not submit the data to a qualifying nonprofit
organization described in this section by January 1 of the current
fiscal year.

Sec. 1806. (1) The department shall contractually require the
Medicaid health plans to report to the department by February 1 of
the current fiscal year on the following:
(a) The progress of implementing the Medicaid health plan
common formulary.
(b) The participation by the Medicaid health plans in the
Medicaid health plan common formulary.
(c) The timeliness of prior authorization approvals or
disapprovals.
(2) By March 1 of the current fiscal year, the department
shall provide the Medicaid health plan report provided in
subsection (1) and identify any areas of inconsistency across the
Medicaid health plans' implementation and utilization of the
Medicaid health plan common formulary to the house and senate
appropriations subcommittees on the department budget, the house
and senate fiscal agencies, and the state budget office.
(3) The department shall maintain policies and procedures to
govern the operations of the Michigan Medicaid health plan common
formulary so that the department is able to receive fair and full
public participation.

Sec. 1809. The department shall establish separate contract
performance standards for Medicaid health plans that adhere to the
requirements of section 105d of the social welfare act, 1939 PA
280, MCL 400.105d, associated with the 0.75% and 0.25% capitation withhold. The determination of the performance of the 0.75% capitation withhold is at the discretion of the department but must include recognized concepts such as 1-year continuous enrollment and the HEDIS audited data. The determination of the performance of the 0.25% capitation withhold is at the discretion of the department but must include the utilization of high-value services and discouraging the utilization of low-value services.

Sec. 1810. The department shall enhance encounter data reporting processes and develop rules that would make each health plan's encounter data as complete as possible, provide a fair measure of acuity for each health plan's enrolled population for risk adjustment purposes, capitation rate setting, diagnosis-related group rate setting, and research and analysis of program efficiencies while minimizing health plan administrative expense. In advance of the annual rate setting development, Medicaid health plans shall be given at least 60 days to dispute and correct any discarded encounter data before rates are certified. The department shall notify each contracting Medicaid health plan of any encounter data that have not been accepted for the purposes of rate setting.

Sec. 1812. By June 1 of the current fiscal year, and using the most recent available cost reports, the department shall complete a report of all direct and indirect costs associated with residency training programs for each hospital that receives funds appropriated in part 1 for graduate medical education. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal
agencies, and the state budget office.

Sec. 1820. (1) In order to avoid duplication of efforts, the department shall utilize applicable national accreditation review criteria to determine compliance with corresponding state requirements for Medicaid health plans that have been reviewed and accredited by a national accrediting entity for health care services.

(2) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(3) As used in this section, "national accrediting entity" means the National Committee for Quality Assurance, the URAC, formerly known as the Utilization Review Accreditation Commission, or other appropriate entity, as approved by the department.

Sec. 1837. The department shall continue, and expand where appropriate, utilization of telemedicine and telepsychiatry as strategies to increase access to services for Medicaid recipients in medically underserved areas.

Sec. 1846. From the funds appropriated in part 1 for graduate medical education, the department shall distribute the funds with an emphasis on the following health care workforce goals:

(a) The encouragement of the training of physicians in specialties, including primary care, that are necessary to meet the future needs of residents of this state.

(b) The training of physicians in settings that include ambulatory sites and rural locations.

Sec. 1850. The department may allow Medicaid health plans to
assist with the redetermination process through outreach activities to ensure continuation of Medicaid eligibility and enrollment in managed care. This may include mailings, telephone contact, or face-to-face contact with beneficiaries enrolled in the individual Medicaid health plan. Health plans may offer assistance in completing paperwork for beneficiaries enrolled in their plan.

Sec. 1851. From the funds appropriated in part 1 for adult home help services, the department shall allocate up to $150,000.00 state general fund/general purpose revenue plus any associated federal match to develop and deploy a mobile electronic visit verification solution to create administrative efficiencies, reduce error, and minimize fraud. The development of the solution shall be predicated on input from the results of the 2017 stakeholder survey.

Sec. 1855. From the funds appropriated in part 1 for program of all-inclusive care for the elderly (PACE), to the extent that funding is available in the PACE line item and unused program slots are available, the department may do the following:

(a) Increase the number of slots for an already established local PACE program if the local PACE program has provided appropriate documentation to the department indicating its ability to expand capacity to provide services to additional PACE clients.

(b) Suspend the 10 member per month individual PACE program enrollment increase cap in order to allow unused and unobligated slots to be allocated to address unmet demand for PACE services.

Sec. 1856. (1) From the funds appropriated in part 1 for hospice services, $100.00 shall be expended to provide room and
board for Medicaid recipients who meet hospice eligibility requirements and receive services at Medicaid enrolled hospice residences in this state. The department shall distribute funds through grants based on the total beds located in all eligible residences that have been providing these services as of October 1, 2017. Any eligible grant applicant may inform the department of their request to reduce the grant amount allocated for their residence and the funds shall be distributed proportionally to increase the total grant amount of the remaining grant-eligible residences. Grant amounts shall be paid out monthly with 1/12 of the total grant amount distributed each month to the grantees.

(2) By September 15 of the current fiscal year, each Medicaid-enrolled hospice with a residence that receives funds under this section shall provide a report to the department on the utilization of the grant funding provided in subsection (1). The report shall be provided in a format prescribed by the department and shall include the following:

(a) The number of patients served.
(b) The number of days served.
(c) The daily room and board rates for the patients served.
(d) If there is not sufficient funding to cover the total room and board need, the number of patients who did not receive care due to insufficient grant funding.

(3) If there is funding remaining at the end of the current fiscal year, the Medicaid-enrolled hospice with a residence shall return funding to the state.

Sec. 1857. By July 1 of the current fiscal year, the
Sec. 1858. By April 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies on all of the following elements related to the current Medicaid pharmacy carve-out of pharmaceutical products as provided for in section 109h of the social welfare act, 1939 PA 280, MCL 400.109h:

(a) The number of prescriptions paid by the department during the previous fiscal year.  
(b) The total amount of expenditures for prescriptions paid by the department during the previous fiscal year.  
(c) The number of and total expenditures for prescriptions paid for by the department for generic equivalents during the previous fiscal year.

Sec. 1859. The department shall partner with the Michigan
Association of Health Plans (MAHP) and Medicaid health plans to
develop and implement strategies for the use of information
technology services for Medicaid research activities. The
department shall make available state medical assistance program
data, including Medicaid behavioral data, to MAHP and Medicaid
health plans or any vendor considered qualified by the department
for the purpose of research activities consistent with this state's
goals of improving health; increasing the quality, reliability,
availability, and continuity of care; and reducing the cost of care
for the eligible population of Medicaid recipients.

Sec. 1860. By March 1 of the current fiscal year, the
department shall provide a report to the senate and house
appropriations subcommittees, the senate and house fiscal agencies,
and the state budget office on uncollected co-pays and premiums in
the Healthy Michigan plan, the Medicaid managed care program, and
the Medicaid fee-for-service program. The report shall include
information on the number of participants who have not paid their
co-pays and premiums, the total amount of uncollected co-pays and
premiums, and steps taken by the department and health plans to
ensure greater collection of co-pays and premiums.

Sec. 1861. From the funds appropriated in part 1 for
transportation, the department shall maintain the previous fiscal
year increase in the number of counties in which a local public
transportation entity is the primary administrator of the Medicaid
nonemergency transportation benefit. The department shall use a
nonprofit transportation brokerage already operating in the state
to carry out the requirements of this section. The purpose of the
program is to improve Medicaid beneficiary access to care, reduce the number of missed physician appointments by Medicaid beneficiaries, and reduce time spent by caseworkers facilitating nonemergency transportation for Medicaid beneficiaries. Performance goals include an increase in utilization of local public transportation, a reduction in the rate of trips reported as missed to no more than 0.5%, and the successful collection of data on program utilization, access, and beneficiary satisfaction.

Sec. 1862. From the funds appropriated in part 1, the department shall maintain payment rates for Medicaid obstetrical services at 95% of Medicare levels effective October 1, 2014.

Sec. 1870. (1) From the funds appropriated in part 1 for hospital services and therapy, the department shall appropriate $5,000,000.00 in general fund/general purpose revenue plus any contributions from public entities, up to $5,000,000.00, and any associated federal match to the MiDocs consortium to create new primary care residency slots in underserved communities. The new primary care residency slots must be in 1 of the following specialties: family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, or general surgery.

(2) The department shall seek any necessary approvals from CMS to allow the department to implement the program described in this section.

(3) Assistance with repayment of medical education loans, loan interest payments, or scholarships provided by MiDocs shall be contingent upon a minimum 2-year commitment to practice in an underserved community in this state post-residency and an agreement
to forego any sub-specialty training for at least 2 years post-residency.

(4) The MiDocs shall work with the department to integrate the Michigan inpatient psychiatric admissions discussion (MIPAD) recommendations and, when possible, prioritize training opportunities in state psychiatric hospitals and community mental health organizations.

(5) In collaboration with the Michigan Health Council, the MiDocs consortium shall reserve at least 3 residency slots per class to be used for the Michigan early primary care incentive program.

(6) The department shall create a MiDocs initiative advisory council to help support implementation of the program described in this section, and provide oversight. The advisory council shall be composed of the MiDocs consortium, the Michigan Area Health Education Centers, the Michigan Primary Care Association, the Michigan Center for Rural Health, the Michigan Academy of Family Physicians, and any other appointees designated by the department.

(7) By September 1 of the current fiscal year, MiDocs shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office, on the following:

(a) Audited financial statement of per-resident costs.

(b) Education and clinical quality data.

(c) Roster of trainees, including areas of specialty and locations of training.
(d) Medicaid revenue by training site.

(8) Outcomes and performance measures for this program include, but are not limited to, the following:

(a) Increasing this state's ability to recruit, train, and retain primary care physicians and other select specialty physicians in underserved communities.

(b) Maximizing training opportunities with community health centers, rural critical access hospitals, solo or group private practice physician practices, schools, and other community-based clinics, in addition to required rotations at inpatient hospitals.

(c) Increasing the number of residency slots for family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, and general surgery.

(9) Unexpended and unencumbered funds up to a maximum $5,000,000.00 in general fund/general purpose revenue plus any contributions from public entities, up to $5,000,000.00, and any associated federal match remaining in accounts appropriated in part 1 for hospital services and therapy are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the MiDocs consortium to create new primary care residency slots in underserved communities under this section until the work project has been completed. All of the following are in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to fund the cost of the MiDocs consortium to create new primary care residency slots in
underserved communities.

(b) The work project will be accomplished by contracting with the MiDocs consortium to oversee the creation of new primary care residency slots.

(c) The total estimated completion cost of the work project is $28,129,400.00.

(d) The tentative completion date is September 30, 2023.

Sec. 1871. The funds appropriated in part 1 for the Healthy Michigan plan healthy behaviors incentives program shall only provide reductions in cost-sharing responsibilities and shall not include other financial rewards such as gift cards.

Sec. 1872. From the funds appropriated in part 1 for personal care services, the department shall maintain the monthly Medicaid personal care supplement paid to adult foster care facilities and homes for the aged that provide personal care services to Medicaid recipients in place during the previous fiscal year.

Sec. 1873. From the funds appropriated in part 1 for long-term care services, the department may allocate up to $3,700,000.00 for the purpose of outreach and education to nursing home residents and the coordination of housing in order to move out of the facility. In addition, any funds appropriated shall be used for other quality improvement activities of the program. The department shall consider working with all relevant stakeholders to develop a plan for the ongoing sustainability of the nursing facility transition initiative.

Sec. 1874. The department shall ensure, in counties where program of all-inclusive care for the elderly or PACE services are
available, that the program of all-inclusive care for the elderly (PACE) is included as an option in all options counseling and enrollment brokering for aging services and managed care programs, including, but not limited to, Area Agencies on Aging, centers for independent living, and the MiChoice home and community-based waiver. Such options counseling must include approved marketing and discussion materials.

Sec. 1875. (1) The department and its contractual agents may not subject Medicaid prescriptions to prior authorization procedures during the current fiscal year if that drug is carved out or is not subject to prior authorization procedures as of May 9, 2016, and is generally recognized in a standard medical reference or the American Psychiatric Association's Diagnostic and Statistical Manual for the Treatment of a Psychiatric Disorder.

(2) The department and its contractual agents may not subject Medicaid prescriptions to prior authorization procedures during the current fiscal year if that drug is carved out or is not subject to prior authorization procedures as of May 9, 2016 and is a prescription drug that is generally recognized in a standard medical reference for the treatment of human immunodeficiency virus or acquired immunodeficiency syndrome, epilepsy or seizure disorder, or organ replacement therapy.

(3) As used in this section, "prior authorization" means a process implemented by the department or its contractual agents that conditions, delays, or denies delivery or particular pharmacy services to Medicaid beneficiaries upon application of predetermined criteria by the department or its contractual agents.
to those pharmacy services. The process of prior authorization
often requires that a prescriber do 1 or both of the following:
(a) Obtain preapproval from the department or its contractual
agents before prescribing a given drug.
(b) Verify to the department or its contractual agents that
the use of a drug prescribed for an individual meets predetermined
criteria from the department or its contractual agents for a
prescription drug that is otherwise available under the Medicaid
program in this state.

Sec. 1878. By March 1 of the current fiscal year, the
department shall provide a report to the senate and house
appropriations subcommittees on the department budget, the senate
and house fiscal agencies, the senate and house policy offices, and
the state budget office on hepatitis C tracking data. At a minimum,
the report shall include information on the following for
individuals treated with Harvoni or any other treatment used to
cure hepatitis C during the current fiscal year or a previous
fiscal year:
(a) The total number of people treated broken down by those
treated through traditional Medicaid and those treated through the
Healthy Michigan plan.
(b) The total cost of treatment.
(c) The total cost of treatment broken down by those treated
through traditional Medicaid and those treated through the Healthy
Michigan plan.
(d) The cure rate broken down by Metavir Score, genotype,
Medicaid match rate, and drug used during treatment.
(e) The reinfection rate broken down by Metavir Score, genotype, Medicaid match rate, and drug used during treatment.

Sec. 1882. By December 31 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office, documentation of the expenses incurred during the immediate preceding fiscal year by Medicaid health plans and PIHPs for the purpose of meeting the contractual requirements to join the Michigan Health Information Network Shared Services and incentivizing providers to become members of the Health Information Exchange Qualified Organization. The report should also include an estimation of the expenses to be incurred in the current fiscal year by Medicaid health plans and PIHPs for the same purpose of meeting their contractual obligations.

Sec. 1888. The department shall establish contract performance standards associated with the capitation withhold provisions for Medicaid health plans at least 3 months in advance of the implementation of those standards. The determination of whether performance standards have been met shall be based primarily on recognized concepts such as 1-year continuous enrollment and the healthcare effectiveness data and information set, HEDIS, audited data.

Sec. 1894. By March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget
office on the Healthy Kids Dental program. The report shall include, but is not limited to, the following:

(a) The number of children enrolled in the Healthy Kids Dental program who visited the dentist during the previous fiscal year broken down by dental benefit manager.

(b) The number of dentists who accept payment from the Healthy Kids Dental program.

(c) The annual change in dental utilization of children enrolled in the Healthy Kids Dental program broken down by dental benefit manager.

(d) Service expenditures for the Healthy Kids Dental program broken down by dental benefit manager.

(e) Administrative expenditures for the Healthy Kids Dental program broken down by dental benefit manager.

**INFORMATION TECHNOLOGY**

Sec. 1901. (1) The department shall provide a report on a semiannual basis to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office all of the following information:

(a) The process used to define requests for proposals for each expansion of information technology projects, including timelines, project milestones, and intended outcomes.

(b) If the department decides not to contract the services out to design and implement each element of the information technology expansion, the department shall submit its own project plan that
includes, at a minimum, the requirements in subdivision (a).

(c) A recommended project management plan with milestones and
time frames.

(d) The proposed benefits from implementing the information
technology expansion, including customer service improvement, form
reductions, potential time savings, caseload reduction, and return
on investment.

(e) Details on the implementation of the integrated service
delivery project, and the progress toward meeting the outcomes and
performance measures listed in section 1507(2) of this part.

(2) Once an award for an expansion of information technology
is made, the department shall report to the senate and house
appropriations subcommittees on the department budget, the senate
and house fiscal agencies, the senate and house policy offices, and
the state budget office a projected cost of the expansion broken
down by use and type of expense.

Sec. 1902. From the funds appropriated in part 1 for the
Michigan Medicaid information system (MMIS) line item, private
revenue may be received from and allocated for other states
interested in participating as part of the broader MMIS initiative.
By March 1 of the current fiscal year, the department shall provide
a report on the use of MMIS by other states for the previous fiscal
year, including a list of states, type of use, and revenue and
expenditures related to the agreements with the other states to use
the MMIS. The report shall be provided to the house and senate
appropriations subcommittees on the department budget, the house
and senate fiscal agencies, and the state budget office.
Sec. 1903. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by November 1 of the current fiscal year the status of an implementation plan regarding the appropriation in part 1 to modernize the MiSACWIS. The report shall include, but not be limited to, efforts to bring the system in compliance with the settlement and other federal guidelines set forth by the United States Department of Health and Human Services Administration for Children and Families.

(2) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by November 1 of the current fiscal year a status report on the planning, implementation, and operation, regardless of the current operational status, regarding the appropriation in part 1 to implement the MiSACWIS. The report shall provide details on the planning, implementation, and operation of the system, including, but not limited to, all of the following:

(a) Areas where implementation went as planned.

(b) The number of known issues.

(c) The average number of help tickets submitted per day.

(d) Any additional overtime or other staffing costs to address known issues and volume of help tickets.

(e) Any contract revisions to address known issues and volume of help tickets.

(f) Other strategies undertaken to improve implementation.
(g) Progress developing cross-system trusted data exchange with MiSACWIS.

(h) Progress in moving away from a statewide automated child welfare information system (SACWIS) to a comprehensive child welfare information system (CCWIS).

(i) Progress developing and implementing a program to monitor data quality.

(j) Progress developing and implementing custom integrated systems for private agencies.

(k) A list of all change orders, planned or in progress.

(l) The status of all change orders, planned or in progress.

(m) The estimated costs for all planned change orders.

(n) The estimated and actual costs for all change orders in progress.

**ONE-TIME APPROPRIATIONS**

Sec. 1906. (1) From the funds appropriated in part 1 for hospital behavioral health pilot program, the department shall appropriate $100.00 to McLaren Greater Lansing for a pilot program located in a county with a population between 280,000 and 281,000 according to the most recent federal decennial census for the purpose of operating a pilot program to ensure that the behavioral and physical health needs of Michigan residents are addressed. This pilot program shall seek to provide additional behavioral health services in a more efficient manner due to a partnership with state-based institutions on staffing assistance and shared services with a Michigan-based health system. The pilot program shall do all
of the following:

(a) Connect participants with available benefits.
(b) Help participants maintain eligibility.
(c) Link participants with necessary health care services.
(d) Maintain participants' medication routines.
(e) Address participants' barriers to care.

(2) For the duration of the pilot program, the department shall allow for the direct referral of patients to the pilot program. It is the intent of the legislature that this pilot program shall be designed to last 3 years and that the pilot program not exceed a maximum bed capacity of 45 beds.

(3) By September 30 of the current fiscal year, the managing entity of the pilot program shall submit a report to the department, the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office. The report shall include, at a minimum, all of the following:

(a) The number of patients served by the pilot program.
(b) A breakdown of state expenditures for the pilot program.
(c) A breakdown of cost savings compared to a facility solely operated by the state.
(d) The average length of a patient stay.
(e) The number of readmissions of a patient in a 365-day period.
(f) Number of staffing hours worked by university students.
(g) The number of admitted patients.
(h) Distance traveled to reach the facility.
(i) Number of patients who had previously been admitted to a mental health facility.

(j) Number of patients who were admitted to a mental health facility for the first time.

Sec. 1908. From the funds appropriated in part 1 for Asian American health care and wellness initiative, the department shall appropriate $100.00 to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and is located in a county with a population between 602,000 and 603,000 according to the most recent decennial census to implement a pilot program to provide health care services in a culturally and linguistically competent manner. To be eligible to receive funding, the organization must have a stated vision of building a collaborative, active, and committed Asian American community in west Michigan with a focus on health care, education, and empowerment.

Sec. 1910. From the funds appropriated in part 1 for opioid transitional housing and services grant, the department shall allocate $750,000.00 to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and is located in a county with a population between 160,000 and 162,000 according to the most recent decennial census for operational use as it relates to the state's mission regarding substance use disorder and opioid abuse. To be eligible to receive funding, the organization must have a stated mission to educate the
community on opiate abuse and provide support for families and
those suffering addiction.

Sec. 1916. From the funds appropriated in part 1 for refugee
assistance grant, the department shall allocate $100.00 to a
nonprofit corporation organized under the laws of this state that
is exempt from federal income tax under section 501(c)(3) of the
internal revenue code of 1986, 26 USC 501, to operate an initiative
to transition low-income refugee families to self-sufficiency. To
be eligible to receive funding, the organization must have a stated
core purpose of providing programs that guide support, and empower
individuals to achieve self-sufficiency with dignity and hope. This
initiative must utilize a measurable, evidence-based approach that
integrates treatment for poverty across health care, human
services, educational, faith-based, and governmental programs. The
organization receiving funds under this section must report to the
department by September 30 of the current fiscal year on metrics
used to measure the success and viability of the initiative.

Sec. 1917. (1) From the funds appropriated in part 1 for
autism train the trainer grant, the department shall appropriate
$100,000.00 to implement a pilot project to train school employees
on the principles and practices of applied behavior analysis and
research-based intervention strategies. The pilot project must do
both of the following:

(a) Train paraprofessionals and teachers in a school district
with a headquarters located in a city with a population between
6,900 and 7,000 according to the most recent federal decennial
census in applied behavior analysis skills that match the national
standard for behavior technician-level work and research-based intervention strategies.

(b) Train teacher consultants, school social workers, school psychologists, and other school personnel responsible for conducting functional behavioral assessments and the development of behavior support plans in a school district with a headquarters located in a city with a population between 6,900 and 7,000 according to the most recent federal decennial census methods for assuring implementation of a behavior plan with fidelity and strategies for sharing understanding of evidence-based behavioral health approaches with other school-based personnel.

(2) Outcomes and performance measures for the pilot project funded under this section shall include, but not be limited to, the following:

(a) A decrease in the number of center-program and self-contained-classroom referrals.

(b) A decrease in the number of suspensions, removals, and expulsions.

(c) A decrease in paraprofessional absences.

(d) An increase in teacher retention.

(e) An increase in safety.

(3) By September 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the information required in subsection (2).

Sec. 1918. The department shall spend available work project
Senate Bill No. 139 as amended May 14, 2019

revenue to continue the implementation of the Michigan medical
resident loan repayment program as specified in section 1918 of
article X of 2018 PA 207.

Sec. 1919. From the funds appropriated in part 1 for substance
use disorder hospital pilot program, $100.00 is allocated for a
specialized emergent peer recovery coach services pilot project
administered by a substance use and case management provider in
conjunction with a hospital within a county with a population of at least
1,500,000 and 911 service district. The hospital must have a wing with at
least 5 beds dedicated to stabilizing patients suffering from addiction
by providing a specialized trauma therapist as well as a peer support
specialist to assist with treatment and counseling. The substance use and
case management provider shall collect and submit to the department data
on the outcomes of the pilot project throughout the duration of the pilot
project and shall provide a report on the pilot project’s outcomes to the
senate and house appropriations subcommittees on health and human
services, the senate and house fiscal agencies, and the state budget
office.

Sec. 1920. (1) From the funds appropriated in part 1 for
autism navigator, the department shall require any contractor
receiving funds from this line item to comply with performance-
related metrics to maintain eligibility for funding. The
organizational metrics shall include, but not be limited to, all of
the following:

(a) Each contractor shall have accreditations that attest to
their competency and effectiveness in providing services.
(b) Each contractor shall demonstrate cost-effectiveness.
(c) Each contractor shall ensure their ability to leverage
private dollars to strengthen and maximize service provision.
(d) Each contractor shall provide quarterly reports to the
department regarding the number of clients served, units of service
provision, and ability to meet their stated goals.

(2) The department shall require an annual report from any
contractor receiving funding from the autism navigator line item.
The annual report, due to the department 60 days following the end
of the contract period, shall include specific information on
services and programs provided, the client base to which the
services and programs were provided, and the expenditures for those
services. The department shall provide the annual reports to the
senate and house appropriations subcommittees on the department
budget, the senate and house fiscal agencies, and the state budget
office.
(3) From the funds appropriated in part 1 for autism navigator, the department shall fund an independent evaluation of the services provided by contractors paid from the autism navigator line item in fiscal year 2018-2019. This evaluation, which shall examine cost effectiveness of services, avoidance of duplication of services, and outcomes, shall be completed by March 1 of the current fiscal year and shall be provided to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office.