



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JOHN D. CHERRY, JR.
LT. GOVERNOR

September 30, 2010

Michigan Senate
State Capitol
Lansing, MI 48909-7536

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 1152, which makes appropriations for the Department of Community Health for the fiscal year ending September 30, 2011. I have, however, disapproved four items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific vetoes are detailed in the attached copy of the bill that has been filed with the Secretary of State.

This bill appropriates \$14.1 billion gross and over \$2.4 billion from Michigan's general fund. Within this budget bill, adequate funds have been appropriated to restore a number of optional Medicaid services, including adult dental services and podiatric services. In addition, funding to support Children Special Health Care Services non-emergency transportation services was restored.

I am concerned about savings assumptions in this bill that appear overly optimistic. I have asked the Department of Community Health to closely monitor this situation and alert the State Budget Office to any potential budget problems.

I disapproved the Early Childhood Collaborative Secondary Prevention line item due to the fact that insufficient funds are appropriated. Funding for this program is contained in the Department of Human Services budget and I intend to sign the appropriation in that bill.

In addition, I have disapproved sections 1112 and 1139 due to the fact that insufficient funds are appropriated to support the referenced initiatives.

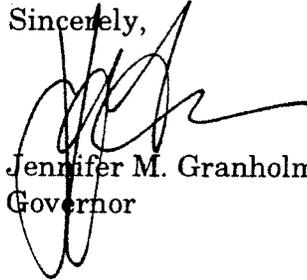
I have also disapproved section 285 because the department already maintains a prescription drug website and insufficient funds are appropriated to

Michigan State Senate
Page 2
September 30, 2010

provide the required enhancements.

While I have found it necessary to make modifications to the bill you sent me, I have concurred with the vast majority of your budget actions and I thank the Legislature for your work on this important budget.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Granholm', written over a circular stamp or seal.

Jennifer M. Granholm
Governor

c: Michigan State House
The Honorable Terri Lynn Land

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

Full-time equated classified positions.....	53.6	
Childhood lead program—6.0 FTE positions		\$ 1,593,500
Dental programs—3.0 FTE positions		992,600
Dental program for persons with developmental disabilities.....		151,000
Early childhood collaborative secondary prevention.....	100	100
Family, maternal, and children's health services administration—43.6 FTE positions.....		5,851,600
Family planning local agreements.....		9,085,700
Local MCH services		7,018,100
Pregnancy prevention program		1,707,300
Prenatal care outreach and service delivery support.....		50,100
School health and education programs—1.0 FTE position		405,500
Special projects		4,665,200
Sudden infant death syndrome program.....		321,300
GROSS APPROPRIATION		\$ 31,842,000
Appropriated from:		
Federal revenues:		
Total federal revenues		26,533,600
Special revenue funds:		
Total local revenues.....		75,000
Total other state restricted revenues		1,505,200
State general fund/general purpose		\$ 3,728,200

Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Full-time equated classified positions.....	45.0	
Women, infants, and children program administration and special projects—45.0 FTE positions...		\$ 13,597,400
Women, infants, and children program local agreements and food costs.....		253,825,500
GROSS APPROPRIATION		\$ 267,422,900
Appropriated from:		
Federal revenues:		
Total federal revenues		208,812,700
Special revenue funds:		
Total private revenues.....		58,610,200
State general fund/general purpose		\$ 0

Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES (CSHCS)

Full-time equated classified positions.....	47.8	
Children's special health care services administration—45.0 FTE positions		\$ 5,081,000
Bequests for care and services—2.8 FTE positions.....		1,511,400
Outreach and advocacy.....		3,773,500
Nonemergency medical transportation.....		2,679,300
Medical care and treatment		241,368,200
GROSS APPROPRIATION		\$ 254,413,400
Appropriated from:		
Federal revenues:		
Total other federal revenues.....		142,332,700
Federal FMAP stimulus (ARRA)		9,686,700
Special revenue funds:		
Total private revenues.....		996,800
Total other state restricted revenues		3,839,600
State general fund/general purpose		\$ 97,557,600

Sec. 116. CRIME VICTIM SERVICES COMMISSION

Full-time equated classified positions.....	11.0	
Grants administration services—11.0 FTE positions		\$ 1,539,800
Justice assistance grants		18,000,000
Crime victim rights services grants.....		12,500,000
GROSS APPROPRIATION		\$ 27,039,800

Sec. 270. Within 180 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

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

Sec. 271. (1) The department, in cooperation with a PIHP, a Medicaid HMO, or a federally qualified health center shall establish and implement an early mental health services intervention pilot project. This project shall provide care coordination, disease management, and pharmacy management to eligible recipients suffering from chronic disease, including, but not limited to, diabetes, asthma, substance addiction, or stroke. Participating organizations may make use of data sharing, joint information technology efforts, and financial incentives to health providers and recipients in this project. The department shall encourage that each CMHSP and Medicaid health plan act in a coordinated manner in the establishment of their respective electronic medical record systems.

(2) The pilot project shall make use of preestablished objectives and outcome measures to determine the cost effectiveness of the project. Participating organizations shall collect data to study and monitor the correlation between early mental health treatment services to program participants and improvement in the management of their chronic disease.

(3) The department shall request any necessary Medicaid state plan amendments or waivers to ensure participation in this project by eligible Medicaid recipients.

(4) A progress report on the pilot project shall be provided to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director no later than May 1 of the current fiscal year.

Sec. 276. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 282. (1) The department, through its organizational units responsible for departmental administration, operation, and finance, shall establish uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by the following entities:

(a) Coordinating agencies on substance abuse and the Salvation Army harbor light program that receive payment or reimbursement from funds appropriated under section 104.

(b) Area agencies on aging and local providers that receive payment or reimbursement from funds appropriated under section 117.

(2) By May 15 of the current fiscal year, the department shall provide a written draft of its proposed definitions, standards, and instructions to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

~~Sec. 285. (1) By July 1 of the current fiscal year, the department shall expand its current prescription drug website to provide all of the following information:~~

~~(a) The 150 most commonly prescribed brand name drug products under the Medicaid program and, if available, their generic equivalents.~~

~~(b) The most commonly prescribed brand name drug products used for the treatment of all major illnesses and diseases, if not already included under subdivision (a), and, if available, their generic equivalents.~~

~~(c) The usual and customary price of each brand name and generic prescription drug listed.~~

~~(d) The dosage, including the number of doses and dosage strength, on which the price is based.~~

~~(e) Names and addresses for the pharmacies associated with the listed prescription drugs.~~

~~(f) A minimum of 5 links to other useful websites that can provide assistance to consumers.~~

~~(g) The department's toll free telephone number that residents of this state may call to determine which prescription drug programs they may be eligible for, including free and discounted prescription drug programs.~~

~~(h) An advisory statement alerting consumers of the need to tell their health professionals and pharmacists about all the medications they are taking so that they know how to avoid harmful interactions between medications.~~

~~(i) An advisory statement alerting consumers that the price posted for a listed drug product is only for the strength and quantity posted.~~ *my*

~~(j) A date stamp indicating the most recent date the usual and customary price of each brand name and generic prescription drug listed was updated.~~ *my*

~~(k) A notation indicating a prescription drug price was corrected.~~ *my*

~~(2) The department shall provide a progress report on these efforts to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by May 1 of the current fiscal year.~~ *my*

Sec. 287. Not later than December 1, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the previous 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 office of the state budget, the chairpersons of the senate and house appropriations committees, and the fiscal agencies.

Sec. 292. (1) On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house of representatives standing committees on appropriations subcommittees on community health and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, the department shall develop, post, and maintain on a user-friendly and publicly accessible Internet website all expenditures made by the department within a fiscal year. The posting must include the purpose for which each expenditure is made. Funds appropriated in part 1 from the ARRA shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. The department shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that section.

Sec. 293. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 292(2).

DEPARTMENTWIDE ADMINISTRATION

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

Sec. 303. The department shall not require first-party payment from individuals or families with a taxable income of \$10,000.00 or less for mental health services for determinations made under section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

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

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

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

(a) A system of single entry and single exit.

(b) A complete array of mental health services that includes, but is not limited to, all of the following services: residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.

Sec. 1031. (1) From the funds appropriated in part 1 for the injury control intervention project, \$200,000.00 shall be used to continue 2 incentive-based pilot programs for level I and level II trauma hospitals to ensure greater state utilization of an interactive, evidence-based treatment guideline model for traumatic brain injury.

(2) One pilot program shall be placed in a county with a population of less than 225,000. The other pilot program shall be placed in a county with a population over 1,000,000.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1101. The department shall review the basis for the distribution of funds to local health departments and other public and private agencies for the women, infants, and children food supplement program; family planning; and prenatal care outreach and service delivery support program and indicate the basis upon which any projected underexpenditures by local public and private agencies shall be reallocated to other local agencies that demonstrate need.

Sec. 1104. (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. 1105. For all family, maternal, and children's health services programs for which an appropriation is made in part 1, the department shall contract with those local agencies best able to serve clients. Factors to be used by the department in evaluating agencies under this section include the ability to serve high-risk population groups; ability to provide access to individuals in need of services in rural communities; ability to serve low-income clients, where applicable; availability of, and access to, service sites; management efficiency; and ability to meet federal standards, when applicable.

Sec. 1106. 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 family planning within the United States department of health and human services specifies in the family planning annual report. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1108. The funds appropriated in part 1 for pregnancy prevention programs shall not be used to provide abortion counseling, referrals, or services.

Sec. 1109. (1) From the amounts appropriated in part 1 for dental programs, funds shall be allocated to the Michigan dental association for the administration of a volunteer dental program that provides dental services to the uninsured.

(2) Not later than December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house standing committees on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures from the immediately preceding fiscal year.

Sec. 1110. An agency that currently receives pregnancy prevention funds and either receives or is eligible for other family planning funds shall have the option of receiving all of its family planning funds directly from the department and be designated as a delegate agency.

Sec. 1111. The department shall allocate no less than 88% of the funds appropriated in part 1 for family planning local agreements and the pregnancy prevention program for the direct provision of family planning and pregnancy prevention services.

~~Sec. 1112. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate up to \$1,000,000.00 to communities with high infant mortality rates.~~ *my*

Sec. 1117. (1) Contingent upon the availability of federal or state restricted funds, the department may pursue efforts to reduce the incidence of stillbirth. Efforts shall include the establishment of a program to increase public awareness of stillbirth, promote education to monitor fetal movements counting kicks, promote a uniform definition of stillbirth, standardize data collection of stillbirths, and collaborate with appropriate federal agencies and statewide organizations. The department shall seek federal or other grant funds to assist in implementing this program.

(2) From the funds appropriated in part 1 for prenatal care outreach and service delivery support, effective March 1, 2011, the department shall allocate to the healthy birth day organization or to the first candle organization \$50,000.00 for efforts to reduce the incidence of stillbirth as described in subsection (1). The organization shall use these funds primarily for a counting fetal kicks awareness program and materials for expectant parents and maternal health care providers. It is the intent of the legislature that the recipient organization act in a collaborative manner with other organizations having a stated purpose of preventing infant mortality.

Sec. 1129. The department shall provide a report annually to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the number of children with elevated blood lead levels from information available to the department. The report shall provide the information by county, shall include the level of blood lead reported, and shall indicate the sources of the information.

Sec. 1133. The department shall release infant mortality rate data to all local public health departments 72 hours or more before releasing infant mortality rate data to the public.

Sec. 1135. (1) Provision of the school health education curriculum, such as the Michigan model for health or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model steering committee. The steering committee shall be composed of a representative from each of the following offices and departments:

- (a) The department of education.
- (b) The department of community health.
- (c) The health administration in the department of community health.
- (d) The mental health and substance abuse administration in the department of community health.
- (e) The department of human services.
- (f) The department of state police.

(2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

Sec. 1137. From the funds appropriated in part 1 for special projects, up to \$100.00 may be allocated to support an Alzheimer's disease patient care training program involving a community college and a retirement community.

Sec. 1138. From the funds appropriated in part 1 for special projects, up to \$100.00 shall be allocated to the Ele's Place organization in Lansing.

~~Sec. 1100. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall fund the nurse family partnership program.~~ *my*

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1151. The department may work with local participating agencies to define local annual contributions for the farmer's market nutrition program, project FRESH, to enable the department to request federal matching funds based on local commitment of funds.

Sec. 1153. The department shall ensure that individuals residing in rural communities have sufficient access to the services offered through the WIC program. The department shall report to the legislature on its efforts to increase access to the WIC program in rural areas.

Sec. 1842. (1) Subject to the availability of funds, the department shall adjust the hospital outpatient Medicaid reimbursement rate for qualifying hospitals as provided in this section. The Medicaid reimbursement rate for qualifying hospitals shall be adjusted to provide each qualifying hospital with its actual cost of delivering outpatient services to Medicaid recipients.

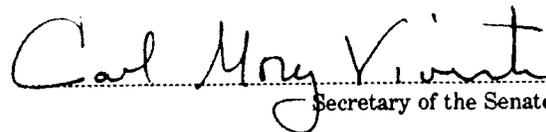
(2) As used in this section, "qualifying hospital" means a hospital that has not more than 50 staffed beds and is either located outside a metropolitan statistical area or in a metropolitan statistical area but within a city, village, or township with a population of not more than 12,000 according to the official 2000 federal decennial census and within a county with a population of not more than 165,000 according to the official 2000 federal decennial census.

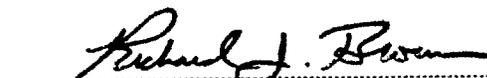
Sec. 1843. The department shall explore the possibility of Medicaid reimbursement for wellness therapies that are designed to lower the state's cost for Medicaid physical therapy. As used in this section, "wellness therapies" includes, but is not limited to, nutrition counseling, smoking cessation, support groups, and lifestyle management.

Sec. 1844. If 2 or more vendors submit substantially similar bids in the bidding process for health information technology contracts that are proposed by the department and supported with ARRA funds, the department shall give preference, as permitted by law, to vendors established in this state.

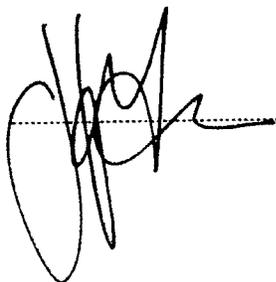
Sec. 1846. Contingent upon federal approval, the department shall create a 1-time pool for distribution of disproportionate share hospital funding. The pool, totaling \$27,000,000.00, shall be used to increase the existing outpatient uncompensated care pool to \$87,000,000.00.

This act is ordered to take immediate effect.


Secretary of the Senate


Clerk of the House of Representatives

Approved 9/30/10 1:25 p.m.


Governor

