

HOUSE BILL No. 5723

EXECUTIVE BUDGET BILL

February 21, 2006, Introduced by Rep. Brown and referred to the Committee on Appropriations.

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2007, to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article,
the amounts listed in this part are appropriated for the department

1 of community health for the fiscal year ending September 30, 2007,
 2 from the funds indicated in this part. The following is a summary
 3 of the appropriations in this part:

4 **DEPARTMENT OF COMMUNITY HEALTH**

5 APPROPRIATION SUMMARY:

6	Full-time equated unclassified positions.....	6.0	
7	Full-time equated classified positions.....	4,665.1	
8	Average population	1,109.0	
9	GROSS APPROPRIATION.....		\$ 11,262,257,000
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers		37,286,100
13	ADJUSTED GROSS APPROPRIATION.....		\$ 11,224,970,900
14	Federal revenues:		
15	Total federal revenues.....		6,103,178,000
16	Special revenue funds:		
17	Total local revenues.....		241,177,400
18	Total private revenues.....		61,326,900
19	Total other state restricted revenues.....		1,817,312,800
20	State general fund/general purpose.....		\$ 3,001,975,800
21	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
22	Full-time equated unclassified positions.....	6.0	
23	Full-time equated classified positions.....	207.0	
24	Director and other unclassified--6.0 FTE positions ...		\$ 581,500
25	Community health advisory council.....		7,000
26	Departmental administration and management--197.0 FTE		
27	positions		22,394,900

1	Worker's compensation program.....	10,600,000
2	Human resources optimization user charges.....	277,600
3	Rent and building occupancy.....	10,877,700
4	Developmental disabilities council and projects--10.0	
5	FTE positions	<u>2,724,000</u>
6	GROSS APPROPRIATION.....	\$ 47,462,700
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	11,646,500
10	Special revenue funds:	
11	Total private revenues.....	35,900
12	Total other state restricted revenues.....	3,488,400
13	State general fund/general purpose.....	\$ 32,291,900
14	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
15	ADMINISTRATION AND SPECIAL PROJECTS	
16	Full-time equated classified positions..... 109.0	
17	Mental health/substance abuse program administration--	
18	108.0 FTE positions	\$ 12,149,100
19	Consumer involvement program.....	189,100
20	Gambling addiction--1.0 FTE position.....	3,500,000
21	Protection and advocacy services support.....	777,400
22	Mental health initiatives for older persons.....	1,291,200
23	Community residential and support services.....	2,906,800
24	Highway safety projects.....	400,000
25	Federal and other special projects.....	2,152,200
26	Family support subsidy.....	19,036,000
27	Housing and support services.....	<u>7,806,800</u>

1	GROSS APPROPRIATION.....	\$	50,208,600
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		32,435,100
5	Special revenue funds:		
6	Total private revenues.....		190,000
7	Total other state restricted revenues.....		3,500,000
8	State general fund/general purpose.....	\$	14,083,500
9	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE		
10	SERVICES PROGRAMS		
11	Full-time equated classified positions..... 9.5		
12	Medicaid mental health services.....	\$	1,786,894,900
13	Community mental health non-Medicaid services.....		317,772,300
14	Medicaid adult benefits waiver.....		40,000,000
15	Multicultural services.....		4,963,800
16	Medicaid substance abuse services.....		35,622,900
17	Respite services.....		1,000,000
18	CMHSP, purchase of state services contracts.....		128,681,500
19	Civil service charges.....		1,765,500
20	Federal mental health block grant--2.5 FTE positions .		15,355,000
21	State disability assistance program substance abuse		
22	services		2,509,800
23	Community substance abuse prevention, education, and		
24	treatment programs		85,519,100
25	Children's waiver home care program.....		19,549,800
26	Omnibus reconciliation act implementation-7.0 FTE		
27	positions		12,505,200

1	Children with serious emotional disturbance waiver ...	<u>570,000</u>
2	GROSS APPROPRIATION.....	\$ 2,452,709,800
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	1,158,607,200
6	Special revenue funds:	
7	Total local revenues.....	26,072,100
8	Total other state restricted revenues.....	112,208,900
9	State general fund/general purpose.....	\$ 1,155,821,600
10	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
11	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC	
12	AND PRISON MENTAL HEALTH SERVICES	
13	Total average population	1,109.0
14	Full-time equated classified positions.....	2,939.3
15	Caro regional mental health center - psychiatric	
16	hospital - adult--461.7 FTE positions.....	\$ 41,511,600
17	Average population	179.0
18	Kalamazoo psychiatric hospital - adult--486.3 FTE	
19	positions	40,392,200
20	Average population	186.0
21	Walter P. Reuther psychiatric hospital - adult--429.0	
22	FTE positions	40,549,700
23	Average population	236.0
24	Hawthorn center - psychiatric hospital - children and	
25	adolescents--210.2 FTE positions.....	19,556,300
26	Average population	74.0
27	Mount Pleasant center - developmental disabilities--	

1	529.7 FTE positions	42,882,500
2	Average population 209.0	
3	Center for forensic psychiatry--493.0 FTE positions ..	49,408,800
4	Average population 225.0	
5	Forensic mental health services provided to the	
6	department of corrections--318.4 FTE positions.....	36,018,600
7	Revenue recapture.....	750,000
8	IDEA, federal special education.....	120,000
9	Special maintenance and equipment.....	335,300
10	Purchase of medical services for residents of	
11	hospitals and centers	2,045,600
12	Closed site, transition, and related costs--11.0 FTE	
13	positions	712,300
14	Severance pay.....	216,900
15	Gifts and bequests for patient living and treatment	
16	environment	<u>1,000,000</u>
17	GROSS APPROPRIATION.....	\$ 275,499,800
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	Interdepartmental grant from the department of	
21	corrections	36,018,600
22	Federal revenues:	
23	Total federal revenues.....	35,269,100
24	Special revenue funds:	
25	CMHSP, purchase of state services contracts.....	128,681,500
26	Other local revenues.....	15,548,400
27	Total private revenues.....	1,000,000

1	Total other state restricted revenues	10,229,300
2	State general fund/general purpose	\$ 48,752,900
3	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
4	Full-time equated classified positions.....	86.4
5	Public health administration--11.0 FTE positions	\$ 1,802,400
6	Minority health grants and contracts--3.0 FTE positions	1,592,500
7	Vital records and health statistics--72.4 FTE	
8	positions	<u>7,658,400</u>
9	GROSS APPROPRIATION.....	\$ 11,053,300
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	Interdepartmental grant from the department of human	
13	services	724,100
14	Federal revenues:	
15	Total federal revenues.....	2,854,000
16	Special revenue funds:	
17	Total other state restricted revenues	5,972,700
18	State general fund/general purpose	\$ 1,502,500
19	Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS	
20	Full-time equated classified positions.....	405.6
21	Health systems administration--197.6 FTE positions ...	\$ 21,684,400
22	Emergency medical services program--15.5 FTE positions	2,012,400
23	Radiological health administration--21.4 FTE positions	2,506,700
24	Health professions--125.0 FTE positions	15,205,400
25	Health policy, regulation, and professions	
26	administration--26.7 FTE positions.....	5,366,800
27	Nurse scholarship, education, and research program--	

1	3.0 FTE positions	903,800
2	Certificate of need program administration--14.0 FTE	
3	positions	1,726,400
4	Rural health services--1.0 FTE position.....	1,390,500
5	Michigan essential health provider.....	1,847,100
6	Primary care services--1.4 FTE positions.....	<u>2,265,500</u>
7	GROSS APPROPRIATION.....	\$ 54,909,000
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	Interdepartmental grant from treasury.....	113,000
11	Federal revenues:	
12	Total federal revenues.....	22,559,600
13	Special revenue funds:	
14	Total local revenues.....	227,700
15	Total private revenues.....	150,000
16	Total other state restricted revenues.....	24,150,900
17	State general fund/general purpose.....	\$ 7,707,800
18	Sec. 108. INFECTIOUS DISEASE CONTROL	
19	Full-time equated classified positions..... 49.0	
20	AIDS prevention, testing, and care programs--12.0 FTE	
21	positions	\$ 34,928,800
22	Immunization local agreements.....	13,990,300
23	Immunization program management and field support--	
24	15.0 FTE positions	1,930,700
25	Pediatric AIDS prevention and control.....	1,224,800
26	Sexually transmitted disease control local agreements	3,423,200
27	Sexually transmitted disease control management and	

1	field support--22.0 FTE positions.....		<u>3,624,900</u>
2	GROSS APPROPRIATION.....	\$	59,122,700
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		40,921,800
6	Special revenue funds:		
7	Total private revenues.....		5,497,900
8	Total other state restricted revenues.....		8,575,800
9	State general fund/general purpose.....	\$	4,127,200
10	Sec. 109. LABORATORY SERVICES		
11	Full-time equated classified positions..... 122.0		
12	Bovine tuberculosis--2.0 FTE positions.....	\$	500,000
13	Laboratory services--120.0 FTE positions.....		<u>15,543,700</u>
14	GROSS APPROPRIATION.....	\$	16,043,700
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	Interdepartmental grant from environmental quality...		430,400
18	Federal revenues:		
19	Total federal revenues.....		3,093,200
20	Special revenue funds:		
21	Total other state restricted revenues.....		5,420,200
22	State general fund/general purpose.....	\$	7,099,900
23	Sec. 110. EPIDEMIOLOGY		
24	Full-time equated classified positions..... 134.5		
25	AIDS surveillance and prevention program.....	\$	2,513,200
26	Asthma prevention and control--2.3 FTE positions.....		1,055,300
27	Bioterrorism preparedness--76.1 FTE positions.....		50,605,200

1	Epidemiology administration--41.1 FTE positions	6,546,800
2	Lead abatement program--7.0 FTE positions	2,143,400
3	Newborn screening follow-up and treatment services--	
4	8.0 FTE positions	3,862,300
5	Tuberculosis control and recalcitrant AIDS program ...	<u>867,000</u>
6	GROSS APPROPRIATION.....	\$ 67,593,200
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	61,099,500
10	Special revenue funds:	
11	Total private revenues.....	25,000
12	Total other state restricted revenues.....	4,307,600
13	State general fund/general purpose.....	\$ 2,161,100
14	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
15	Implementation of 1993 PA 133, MCL 333.17015	\$ 100,000
16	Local health services.....	220,000
17	Local public health operations.....	40,618,400
18	Medical services cost reimbursement to local health	
19	departments	<u>3,110,000</u>
20	GROSS APPROPRIATION.....	\$ 44,048,400
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues.....	3,110,000
24	Special revenue funds:	
25	Total local revenues.....	5,150,000
26	Total other state restricted revenues.....	243,500
27	State general fund/general purpose.....	\$ 35,544,900

1	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND		
2	HEALTH PROMOTION		
3	Full-time equated classified positions.....	65.5	
4	African-American male health initiative.....	\$	106,700
5	AIDS and risk reduction clearinghouse and media		
6	campaign		1,576,000
7	Alzheimer's information network.....		412,900
8	Cancer prevention and control program--15.3 FTE		
9	positions		15,145,400
10	Chronic disease prevention--19.3 FTE position.....		5,086,900
11	Diabetes and kidney program--11.1 FTE positions		3,701,400
12	Injury control intervention project--1.0 FTE position		100,900
13	Morris Hood Wayne State University diabetes outreach.		400,000
14	Physical fitness, nutrition, and health.....		700,000
15	Public health traffic safety coordination--1.7 FTE		
16	positions		584,900
17	Smoking prevention program--15.1 FTE positions		5,632,400
18	Tobacco tax collection and enforcement		610,000
19	Violence prevention--2.0 FTE positions		<u>1,896,900</u>
20	GROSS APPROPRIATION.....	\$	35,954,400
21	Appropriated from:		
22	Federal revenues:		
23	Total federal revenues.....		19,987,500
24	Special revenue funds:		
25	Total private revenues.....		85,000
26	Total other state restricted revenues		14,751,700
27	State general fund/general purpose	\$	1,130,200

1	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
2	Full-time equated classified positions.....	48.4	
3	Childhood lead program--6.8 FTE positions.....	\$	2,536,100
4	Dental programs.....		485,400
5	Dental program for persons with developmental		
6	disabilities		151,000
7	Early childhood collaborative secondary prevention...		524,000
8	Family, maternal, and children's health services		
9	administration--39.6 FTE positions.....		4,590,600
10	Family planning local agreements.....		12,270,300
11	Local MCH services.....		7,264,200
12	Migrant health care.....		272,200
13	Pregnancy prevention program.....		5,733,400
14	Prenatal care outreach and service delivery support ..		3,049,300
15	School health and education programs.....		500,000
16	Special projects--2.0 FTE positions.....		5,784,900
17	Sudden infant death syndrome program.....		<u>321,300</u>
18	GROSS APPROPRIATION.....	\$	43,482,700
19	Appropriated from:		
20	Federal revenues:		
21	Total federal revenues.....		30,116,300
22	Special revenue funds:		
23	Total other state restricted revenues.....		8,464,000
24	State general fund/general purpose.....	\$	4,902,400
25	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND		
26	NUTRITION PROGRAM		
27	Full-time equated classified positions.....	41.0	

1	Women, infants, and children program administration		
2	and special projects--41.0 FTE positions.....	\$	6,681,000
3	Women, infants, and children program local agreements		
4	and food costs		<u>179,272,000</u>
5	GROSS APPROPRIATION.....	\$	185,953,000
6	Appropriated from:		
7	Federal revenues:		
8	Total federal revenues.....		132,714,900
9	Special revenue funds:		
10	Total private revenues.....		53,238,100
11	State general fund/general purpose.....	\$	0
12	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
13	Full-time equated classified positions..... 44.0		
14	Children's special health care services		
15	administration--44.0 FTE positions.....	\$	4,296,900
16	Amputee program.....		184,600
17	Bequests for care and services.....		1,889,100
18	Outreach and advocacy.....		3,773,500
19	Non-emergency medical transportation.....		1,289,100
20	Medical care and treatment.....		<u>185,426,400</u>
21	GROSS APPROPRIATION.....	\$	196,859,600
22	Appropriated from:		
23	Federal revenues:		
24	Total federal revenues.....		95,909,800
25	Special revenue funds:		
26	Total private revenues.....		1,000,000
27	Total other state restricted revenues.....		2,584,500

1	State general fund/general purpose.....	\$	97,365,300
2	Sec. 116. OFFICE OF DRUG CONTROL POLICY		
3	Full-time equated classified positions.....	16.0	
4	Drug control policy--16.0 FTE positions.....	\$	2,104,600
5	Anti-drug abuse grants.....		14,870,300
6	Interdepartmental grant to judiciary for drug		
7	treatment courts		<u>1,800,000</u>
8	GROSS APPROPRIATION.....	\$	18,774,900
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues.....		18,399,500
12	Special revenue funds:		
13	State general fund/general purpose.....	\$	375,400
14	Sec. 117. CRIME VICTIM SERVICES COMMISSION		
15	Full-time equated classified positions.....	10.0	
16	Grants administration services--10.0 FTE positions...	\$	1,087,500
17	Justice assistance grants.....		13,000,000
18	Crime victim rights services grants.....		<u>10,800,000</u>
19	GROSS APPROPRIATION.....	\$	24,887,500
20	Appropriated from:		
21	Federal revenues:		
22	Total federal revenues.....		14,770,300
23	Special revenue funds:		
24	Total other state restricted revenues.....		10,117,200
25	State general fund/general purpose.....	\$	0
26	Sec. 118. OFFICE OF SERVICES TO THE AGING		
27	Full-time equated classified positions.....	36.5	

1	Commission (per diem \$50.00).....	\$	10,500
2	Office of services to aging administration--36.5 FTE		
3	positions		5,324,100
4	Community services.....		35,204,200
5	Nutrition services.....		37,290,500
6	Senior volunteer services.....		5,624,900
7	Employment assistance.....		2,818,300
8	Respite care program.....		<u>7,600,000</u>
9	GROSS APPROPRIATION.....	\$	93,872,500
10	Appropriated from:		
11	Federal revenues:		
12	Total federal revenues.....		52,251,400
13	Special revenue funds:		
14	Total private revenues.....		105,000
15	Merit award trust fund.....		5,000,000
16	Total other state restricted revenues.....		2,767,000
17	State general fund/general purpose.....	\$	33,749,100
18	Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN		
19	Michigan First Healthcare Plan.....	\$	<u>200,000,000</u>
20	GROSS APPROPRIATION.....	\$	200,000,000
21	Appropriated from:		
22	Federal revenues:		
23	Total federal revenues.....		200,000,000
24	Special revenue funds:		
25	State general fund/general purpose.....	\$	0
26	Sec. 120. MEDICAL SERVICES ADMINISTRATION		
27	Full-time equated classified positions.....		341.4

1	Medical services administration--341.4 FTE positions .	\$	65,290,600
2	Facility inspection contract - state police		132,800
3	MIChild administration.....		<u>4,327,800</u>
4	GROSS APPROPRIATION.....	\$	69,751,200
5	Appropriated from:		
6	Federal revenues:		
7	Total federal revenues.....		51,840,900
8	Special revenue funds:		
9	State general fund/general purpose.....	\$	17,910,300
10	Sec. 121. MEDICAL SERVICES		
11	Hospital services and therapy.....	\$	1,128,391,400
12	Hospital disproportionate share payments		50,000,000
13	Physician services.....		279,406,100
14	Medicare premium payments.....		308,097,700
15	Pharmaceutical services.....		72,869,800
16	Home health services.....		67,241,000
17	Transportation.....		9,026,500
18	Auxiliary medical services.....		110,621,300
19	Ambulance services.....		13,541,500
20	Long-term care services.....		1,989,051,000
21	Health plan services.....		2,421,668,900
22	MIChild program.....		47,875,600
23	Medicaid adult benefits waiver.....		106,608,600
24	Maternal and child health.....		20,279,500
25	Social services to the physically disabled.....		1,344,900
26	Federal Medicare pharmaceutical program.....		200,973,100
27	County indigent care and third share plans.....		88,518,500

1	Subtotal basic medical services program.....	6,915,515,400
2	School-based services.....	76,235,400
3	Special Medicaid reimbursement.....	290,892,100
4	Subtotal special medical services payments.....	<u>367,127,500</u>
5	GROSS APPROPRIATION.....	\$ 7,282,642,900
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	4,096,294,900
9	Special revenue funds:	
10	Total local revenues.....	65,497,700
11	Merit award trust fund.....	136,200,000
12	Total other state restricted revenues.....	1,456,274,200
13	State general fund/general purpose.....	\$ 1,528,376,100
14	Sec. 122. INFORMATION TECHNOLOGY	
15	Information technology services and projects.....	\$ 31,427,000
16	Michigan Medicaid information system.....	<u>100</u>
17	GROSS APPROPRIATION.....	\$ 31,427,100
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	19,296,500
21	Special revenue funds:	
22	Total other state restricted revenues.....	3,056,900
23	State general fund/general purpose.....	\$ 9,073,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$4,819,288,600.00 and state spending from state resources to be paid to units of local government for fiscal year 2006-2007 is \$1,132,576,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

AND SPECIAL PROJECTS

Community residential and support services	\$	387,300
Housing and support services		695,500
Mental health initiatives for older persons		1,291,200
COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
Children's waiver home care program		2,428,800
State disability assistance program substance		
abuse services		1,966,400
Community substance abuse prevention, education, and		
treatment programs		12,440,300
Medicaid mental health services		588,077,400
Community mental health non-Medicaid services		317,772,300
Multicultural services		3,921,100
Medicaid substance abuse services		15,462,100
Respite services		1,000,000
Omnibus budget reconciliation act implementation		2,882,500
STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
DEVELOPMENTAL DISABILITIES AND FORENSIC AND PRISON		

1	MENTAL HEALTH SERVICES		
2	Center for forensic psychiatry.....		290,300
3	PUBLIC HEALTH ADMINISTRATION		
4	Minority health grants and contracts.....		100,000
5	Public health administration.....		76,000
6	INFECTIOUS DISEASE CONTROL		
7	AIDS prevention, testing and care programs.....	\$	742,200
8	Immunization local agreements.....		2,132,000
9	Sexually transmitted disease control local agreements		430,900
10	HEALTH POLICY, REGULATION AND PROFESSIONS		
11	Health professions.....		99,700
12	Primary care services.....		341,900
13	LABORATORY SERVICES		
14	Laboratory services.....	\$	55,400
15	LOCAL HEALTH ADMINISTRATION AND GRANTS		
16	Implementation of 1993 PA 133, MCL 333.17015.....	\$	7,700
17	Local public health operations.....		40,618,400
18	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
19	Cancer prevention and control program.....	\$	137,300
20	Chronic disease prevention.....		273,800
21	Diabetes and kidney program.....		370,600
22	Smoking prevention program.....		1,014,500
23	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
24	Childhood lead program.....	\$	136,500
25	Dental programs.....		25,000
26	Family planning local agreements.....		360,000
27	Local MCH services.....		322,200

1	Pregnancy prevention program.....		2,300,000
2	Prenatal care outreach and service delivery support ..		650,100
3	School health and education programs.....		500,000
4	Special projects.....		378,900
5	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
6	Medical care and treatment.....		528,800
7	Outreach and advocacy.....	\$	1,283,200
8	MEDICAL SERVICES		
9	Transportation.....	\$	1,401,300
10	Long term care services.....		81,711,500
11	Medicaid adult benefit waiver.....		9,573,500
12	OFFICE OF SERVICES TO THE AGING		
13	Community services.....	\$	15,054,300
14	Nutrition services.....		11,447,300
15	Senior volunteer services.....		1,214,400
16	Respite care program.....		4,227,400
17	CRIME VICTIM SERVICES COMMISSION		
18	Crime victim rights services grants.....	\$	<u>6,446,800</u>
19	TOTAL OF PAYMENTS TO LOCAL UNITS		
20	OF GOVERNMENT.....	\$	1,132,576,800
21	Sec. 202. (1) The appropriations authorized under this bill		
22	are subject to the management and budget act, 1984 PA 431, MCL		
23	18.1101 to 18.1594.		
24	(2) Funds for which the state is acting as the custodian or		
25	agent are not subject to annual appropriation.		
26	Sec. 203. As used in this bill:		
27	(a) "AIDS" means acquired immunodeficiency syndrome.		

1 (b) "CMHSP" means a community mental health services program
2 as that term is defined in section 100a of the mental health code,
3 1974 PA 258, MCL 330.1100a.

4 (c) "Department" means the Michigan department of community
5 health.

6 (d) "DSH" means disproportionate share hospital.

7 (e) "EPSDT" means early and periodic screening, diagnosis, and
8 treatment.

9 (f) "FTE" means full-time equated.

10 (g) "GME" means graduate medical education.

11 (h) "Health plan" means, at a minimum, an organization that
12 meets the criteria for delivering the comprehensive package of
13 services under the department's comprehensive health plan.

14 (i) "HIV/AIDS" means human immunodeficiency virus/acquired
15 immune deficiency syndrome.

16 (j) "HMO" means health maintenance organization.

17 (k) "IDEA" means individuals with disabilities education act.

18 (l) "IDG" means interdepartmental grant.

19 (m) "MCH" means maternal and child health.

20 (n) "MICHild" means the program described in section 1670.

21 (o) "MSS/ISS" means maternal and infant support services.

22 (p) "Specialty prepaid health plan" means a program described
23 in section 232b of the mental health code, 1974 PA 258, MCL
24 330.1232b.

25 (q) "Title XVIII" means title XVIII of the social security
26 act, 42 USC 1395 to 1395hhh.

27 (r) "Title XIX" means title XIX of the social security act, 42

1 USC 1396 to 1396v.

2 (s) "Title XX" means title XX of the social security act, 49
3 USC 1397 to 1397f.

4 (t) "WIC" means women, infants, and children supplemental
5 nutrition program.

6 Sec. 204. The department of civil service shall bill the
7 department at the end of the first fiscal quarter for the 1% charge
8 authorized by section 5 of article XI of the state constitution of
9 1963. Payments shall be made for the total amount of the billing by
10 the end of the second fiscal quarter.

11 Sec. 205. (1) A hiring freeze is imposed on the state
12 classified civil service. State departments and agencies are
13 prohibited from hiring any new state classified civil service
14 employees and prohibited from filling any vacant state classified
15 civil service positions. This hiring freeze does not apply to
16 internal transfers of classified employees from 1 position to
17 another within a department.

18 (2) The state budget director may grant exceptions to this
19 hiring freeze when the state budget director believes that the
20 hiring freeze will result in rendering a state department or agency
21 unable to deliver basic services, cause loss of revenue to the
22 state, result in the inability of the state to receive federal
23 funds, or would necessitate additional expenditures that exceed any
24 savings from maintaining the vacancy. The state budget director
25 shall report quarterly to the chairpersons of the senate and house
26 of representatives standing committees on appropriations the number
27 of exceptions to the hiring freeze approved during the previous

1 quarter and the reasons to justify the exception.

2 Sec. 206. (1) In addition to the funds appropriated in part
3 1, there is appropriated an amount not to exceed
4 \$100,000,000.00 for federal contingency funds. These funds
5 are not available for expenditure until they have been
6 transferred to another line item in this bill under section
7 393(2) of the department of management and budget act, 1984 PA
8 431, MCL 18.1393.

9 (2) In addition to the funds appropriated in part 1, there is
10 appropriated an amount not to exceed \$20,000,000.00 for state
11 restricted contingency funds. These funds are not available
12 for expenditure until they have been transferred to another
13 line item in this bill under section 393(2) of the department
14 of management and budget act, 1984 PA 431, MCL 18.1393.

15 (3) In addition to the funds appropriated in part 1, there is
16 appropriated an amount not to exceed \$20,000,000.00 for local
17 contingency funds. These funds are not available for
18 expenditure until they have been transferred to another line
19 item in this bill under section 393(2) of the department of
20 management and budget act, 1984 PA 431, MCL 18.1393.

21 (4) In addition to the funds appropriated in part 1, there is
22 appropriated an amount not to exceed \$10,000,000.00 for
23 private contingency funds. These funds are not available for
24 expenditure until they have been transferred to another line
25 item in this bill under section 393(2) of the department of
26 management and budget act, 1984 PA 431, MCL 18.1393.

27 Sec. 208. Unless otherwise specified, the department shall use

1 the Internet to fulfill the reporting requirements of this bill.
2 This requirement may include transmission of reports via electronic
3 mail to the recipients identified for each reporting requirement or
4 it may include placement of reports on the Internet or Intranet
5 site.

6 Sec. 209. Funds appropriated in part 1 shall not be used for
7 the purchase of foreign goods or services, or both, if
8 competitively priced and of comparable quality American goods or
9 services, or both, are available. Preference should be given to
10 goods or services, or both, manufactured or provided by Michigan
11 business if they are competitively priced and of comparable
12 quality.

13 Sec. 210. The director shall take all reasonable steps to
14 ensure businesses in deprived and depressed communities
15 compete for and perform contracts to provide services or
16 supplies, or both. The director shall strongly encourage
17 firms with which the department contracts to subcontract with
18 certified businesses in depressed and deprived communities for
19 services, supplies, or both.

20 Sec. 211. If the revenue collected by the department from fees
21 and collections exceeds the amount appropriated in part 1, the
22 revenue may be carried forward with the approval of the state
23 budget director into the subsequent fiscal year. The revenue
24 carried forward under this section shall be used as the first
25 source of funds in the subsequent fiscal year.

26 Sec. 214. The use of state-restricted tobacco tax revenue
27 received for the purpose of tobacco prevention, education, and

1 reduction efforts and deposited in the healthy Michigan fund shall
2 not be used for lobbying as defined in 1978 PA 472, MCL 4.411 to
3 4.431, and shall not be used in attempting to influence the
4 decisions of the legislature, the governor, or any state agency.

5 Sec. 216. (1) In addition to funds appropriated in part 1 for
6 all programs and services, there is appropriated for write-offs of
7 accounts receivable, deferrals, and for prior year obligations in
8 excess of applicable prior year appropriations, an amount equal to
9 total write-offs and prior year obligations, but not to exceed
10 amounts available in prior year revenues.

11 (2) The department's ability to satisfy appropriation
12 deductions in part 1 shall not be limited to collections and
13 accruals pertaining to services provided in the current fiscal year
14 but shall also include reimbursements, refunds, adjustments, and
15 settlements from prior years.

16 Sec. 218. Basic health services for the purpose of part 23 of
17 the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are:
18 immunizations, communicable disease control, sexually transmitted
19 disease control, tuberculosis control, prevention of gonorrhea eye
20 infection in newborns, screening newborns for the 8 conditions
21 listed in section 5431(1)(a) through (h) of the public health code,
22 1978 PA 368, MCL 333.5431, community health annex of the Michigan
23 emergency management plan, and prenatal care.

24 Sec. 219. The department may contract with the Michigan public
25 health institute for the design and implementation of projects and
26 for other public health related activities prescribed in section
27 2611 of the public health code, 1978 PA 368, MCL 333.2611. The

1 department may develop a master agreement with the institute to
2 carry out these purposes for up to a 3-year period. The department
3 shall report to the house of representatives and senate
4 appropriations subcommittees on community health, the house and
5 senate fiscal agencies, and the state budget director on or before
6 November 1, 2006 and May 1, 2007 all of the following:

7 (a) A detailed description of each funded project.

8 (b) The amount allocated for each project, the appropriation
9 line item from which the allocation is funded, and the source of
10 financing for each project.

11 (c) The expected project duration.

12 (d) A detailed spending plan for each project, including a
13 list of all subgrantees and the amount allocated to each
14 subgrantee.

15 Sec. 220. All contracts with the Michigan public health
16 institute funded with appropriations in part 1 shall include a
17 requirement that the Michigan public health institute submit to
18 financial and performance audits by the state auditor general of
19 projects funded with state appropriations.

20 Sec. 223. The department of community health may establish and
21 collect fees for publications, videos and related materials,
22 conferences, and workshops. Collected fees shall be used to offset
23 expenditures to pay for printing and mailing costs of the
24 publications, videos and related materials, and costs of the
25 workshops and conferences. The costs shall not exceed fees
26 collected.

27 Sec. 259. From the funds appropriated in part 1 for

1 information technology, departments and agencies shall pay user
2 fees to the department of information technology for technology-
3 related services and projects. Such user fees shall be subject to
4 provisions of an interagency agreement between the departments and
5 agencies and the department of information technology.

6 Sec. 260. Amounts appropriated in part 1 for information
7 technology may be designated as work projects and carried forward
8 to support technology projects under the direction of the
9 department of information technology. Funds designated in this
10 manner are not available for expenditure until approved as work
11 projects under section 451a of the management and budget act, 1984
12 PA 431, MCL 18.1451a.

13 Sec. 261. Funds appropriated in part 1 for the Medicaid
14 management information system upgrade are contingent upon approval
15 of an advanced planning document from the centers for Medicare and
16 Medicaid services. If the necessary matching funds are identified
17 and legislatively transferred to this line item, the corresponding
18 federal Medicaid revenue shall be appropriated at a 90/10
19 federal/state match rate. This appropriation may be designated as
20 a work project and carried forward to support completion of this
21 project.

22 Sec. 266. (1) Due to the current budgetary problems in this
23 state, out-of-state travel for the fiscal year ending September 30,
24 2007 shall be limited to situations in which 1 or more of the
25 following conditions apply:

26 (a) The travel is required by legal mandate or court order or
27 for law enforcement purposes.

1 (b) The travel is necessary to protect the health or safety of
2 Michigan citizens or visitors or to assist other states in similar
3 circumstances.

4 (c) The travel is necessary to produce budgetary savings or to
5 increase state revenues, including protecting existing federal
6 funds or securing additional federal funds.

7 (d) The travel is necessary to comply with federal
8 requirements.

9 (e) The travel is necessary to secure specialized training for
10 staff that is not available within this state.

11 (f) The travel is financed entirely by federal or nonstate
12 funds.

13 (2) If out-of-state travel is necessary but does not meet 1 or
14 more of the conditions in subsection (1), the state budget director
15 may grant an exception to allow the travel. Any exceptions granted
16 by the state budget director shall be reported on a monthly basis
17 to the house of representatives and senate standing committees on
18 appropriations.

19 (3) Not later than January 1 of each year, each department
20 shall prepare a travel report listing all travel by classified and
21 unclassified employees outside this state in the immediately
22 preceding fiscal year that was funded in whole or in part with
23 funds appropriated in the department's budget. The report shall be
24 submitted to the chairs and members of the house of representatives
25 and senate standing committees on appropriations, the fiscal
26 agencies, and the state budget director. The report shall include
27 the following information:

1 (a) The name of each person receiving reimbursement for travel
2 outside this state or whose travel costs were paid by this state.

3 (b) The destination of each travel occurrence.

4 (c) The dates of each travel occurrence.

5 (d) A brief statement of the reason for each travel
6 occurrence.

7 (e) The transportation and related costs of each travel
8 occurrence, including the proportion funded with state general
9 fund/general purpose revenues, the proportion funded with state
10 restricted revenues, the proportion funded with federal revenues,
11 and the proportion funded with other revenues.

12 (f) A total of all out-of-state travel funded for the
13 immediately preceding fiscal year.

14 **DEPARTMENTWIDE ADMINISTRATION**

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

19 Sec. 303. The department is prohibited from requiring first-
20 party payment from individuals or families with a taxable income of
21 \$10,000.00 or less for mental health services for determinations
22 made in accordance with section 818 of the mental health code, 1974
23 PA 258, MCL 330.1818.

24 **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

25 Sec. 401. Funds appropriated in part 1 are intended to support

1 a system of comprehensive community mental health services under
2 the full authority and responsibility of local CMHSPs or specialty
3 prepaid health plans. The department shall ensure that each CMHSP
4 or specialty prepaid health plan provides all of the following:

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

6 (b) A complete array of mental health services which shall
7 include, but shall not be limited to, all of the following
8 services: residential and other individualized living arrangements,
9 outpatient services, acute inpatient services, and long-term, 24-
10 hour inpatient care in a structured, secure environment.

11 (c) The coordination of inpatient and outpatient hospital
12 services through agreements with state-operated psychiatric
13 hospitals, units, and centers in facilities owned or leased by the
14 state, and privately-owned hospitals, units, and centers licensed
15 by the state pursuant to sections 134 through 149b of the mental
16 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

17 (d) Individualized plans of service that are sufficient to
18 meet the needs of individuals, including those discharged from
19 psychiatric hospitals or centers, and that ensure the full range of
20 recipient needs is addressed through the CMHSP's or specialty
21 prepaid health plan's program or through assistance with locating
22 and obtaining services to meet these needs.

23 (e) A system of case management to monitor and ensure the
24 provision of services consistent with the individualized plan of
25 services or supports.

26 (f) A system of continuous quality improvement.

27 (g) A system to monitor and evaluate the mental health

1 services provided.

2 (h) A system that serves at-risk and delinquent youth as
3 required under the provisions of the mental health code, 1974 PA
4 258, MCL 330.1001 to 330.2106.

5 Sec. 402. (1) From funds appropriated in part 1, final
6 authorizations to CMHSPs or specialty prepaid health plans shall be
7 made upon the execution of contracts between the department and
8 CMHSPs or specialty prepaid health plans. The contracts shall
9 contain an approved plan and budget as well as policies and
10 procedures governing the obligations and responsibilities of both
11 parties to the contracts. Each contract with a CMHSP or specialty
12 prepaid health plan that the department is authorized to enter into
13 under this subsection shall include a provision that the contract
14 is not valid unless the total dollar obligation for all of the
15 contracts between the department and the CMHSPs or specialty
16 prepaid health plans entered into under this subsection for fiscal
17 year 2005-2006 does not exceed the amount of money appropriated in
18 part 1 for the contracts authorized under this subsection.

19 (2) The department shall immediately report to the senate and
20 house of representatives appropriations subcommittees on community
21 health, the senate and house fiscal agencies, and the state budget
22 director if either of the following occurs:

23 (a) Any new contracts with CMHSPs or specialty prepaid health
24 plans that would affect rates or expenditures are enacted.

25 (b) Any amendments to contracts with CMHSPs or specialty
26 prepaid health plans that would affect rates or expenditures are
27 enacted.

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

4 Sec. 404. (1) Not later than May 31 of each fiscal year, the
5 department shall provide a report on the community mental health
6 services programs to the members of the house of representatives
7 and senate appropriations subcommittees on community health, the
8 house and senate fiscal agencies, and the state budget director
9 that includes the information required by this section.

10 (2) The report shall contain information for each CMHSP or
11 specialty prepaid health plan and a statewide summary, each of
12 which shall include at least the following information:

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

16 (b) Per capita expenditures by client population group.

17 (c) Financial information which, minimally, shall include a
18 description of funding authorized; expenditures by client group and
19 fund source; and cost information by service category, including
20 administration. Service category shall include all department
21 approved services.

22 (d) Data describing service outcomes which shall include, but
23 not be limited to, an evaluation of consumer satisfaction, consumer
24 choice, and quality of life concerns including, but not limited to,
25 housing and employment.

26 (e) Information about access to community mental health
27 services programs which shall include, but not be limited to, the

1 following:

2 (i) The number of people receiving requested services.

3 (ii) The number of people who requested services but did not
4 receive services.

5 (f) The number of second opinions requested under the code and
6 the determination of any appeals.

7 (g) An analysis of information provided by community mental
8 health service programs in response to the needs assessment
9 requirements of the mental health code, including information about
10 the number of persons in the service delivery system who have
11 requested and are clinically appropriate for different services.

12 (h) Lapses and carryforwards during fiscal year 2005-2006 for
13 CMHSPs or specialty prepaid health plans.

14 (i) Contracts for mental health services entered into by
15 CMHSPs or specialty prepaid health plans with providers, including
16 amount and rates, organized by type of service provided.

17 (j) Information on the community mental health Medicaid
18 managed care program, including, but not limited to, both of the
19 following:

20 (i) Expenditures by each CMHSP or specialty prepaid health plan
21 organized by Medicaid eligibility group, including per eligible
22 individual expenditure averages.

23 (ii) Performance indicator information required to be submitted
24 to the department in the contracts with CMHSPs or specialty prepaid
25 health plans.

26 (3) The department shall include data reporting requirements
27 listed in subsection (2) in the annual contract with each

1 individual CMHSP or specialty prepaid health plan.

2 (4) The department shall take all reasonable actions to ensure
3 that the data required are complete and consistent among all CMHSPs
4 or specialty prepaid health plans.

5 Sec. 405. The employee wage pass-through funded in previous
6 years to the community mental health services programs for direct
7 care workers in local residential settings and for paraprofessional
8 and other nonprofessional direct care workers in day programs,
9 supported employment, and other vocational programs shall continue
10 to be paid to direct care workers.

11 Sec. 406. (1) The funds appropriated in part 1 for the state
12 disability assistance substance abuse services program shall be
13 used to support per diem room and board payments in substance abuse
14 residential facilities. Eligibility of clients for the state
15 disability assistance substance abuse services program shall
16 include needy persons 18 years of age or older, or emancipated
17 minors, who reside in a substance abuse treatment center.

18 (2) The department shall reimburse all licensed substance
19 abuse programs eligible to participate in the program at a rate
20 equivalent to that paid by the department of human services to
21 adult foster care providers. Programs accredited by department-
22 approved accrediting organizations shall be reimbursed at the
23 personal care rate, while all other eligible programs shall be
24 reimbursed at the domiciliary care rate.

25 Sec. 407. (1) The amount appropriated in part 1 for substance
26 abuse prevention, education, and treatment grants shall be expended
27 for contracting with coordinating agencies. Coordinating agencies

1 shall work with the CMHSPs or specialty prepaid health plans to
2 coordinate the care and services provided to individuals with both
3 mental illness and substance abuse diagnoses.

4 (2) The department shall approve a fee schedule for providing
5 substance abuse services and charge participants in accordance with
6 their ability to pay.

7 Sec. 408. (1) By April 15, 2007, the department shall report
8 the following data from fiscal year 2005-2006 on substance abuse
9 prevention, education, and treatment programs to the senate and
10 house of representatives appropriations subcommittees on community
11 health, the senate and house fiscal agencies, and the state budget
12 office:

13 (a) Expenditures stratified by coordinating agency, by central
14 diagnosis and referral agency, by fund source, by subcontractor, by
15 population served, and by service type. Additionally, data on
16 administrative expenditures by coordinating agency and by
17 subcontractor shall be reported.

18 (b) Expenditures per state client, with data on the
19 distribution of expenditures reported using a histogram approach.

20 (c) Number of services provided by central diagnosis and
21 referral agency, by subcontractor, and by service type.
22 Additionally, data on length of stay, referral source, and
23 participation in other state programs.

24 (d) Collections from other first- or third-party payers,
25 private donations, or other state or local programs, by
26 coordinating agency, by subcontractor, by population served, and by
27 service type.

1 (2) The department shall take all reasonable actions to ensure
2 that the required data reported are complete and consistent among
3 all coordinating agencies.

4 Sec. 409. The funding in part 1 for substance abuse services
5 shall be distributed in a manner that provides priority to service
6 providers that furnish child care services to clients with
7 children.

8 Sec. 410. The department shall assure that substance abuse
9 treatment is provided to applicants and recipients of public
10 assistance through the department of human services who are
11 required to obtain substance abuse treatment as a condition of
12 eligibility for public assistance.

13 Sec. 411. (1) The department shall ensure that each contract
14 with a CMHSP or specialty prepaid health plan requires the CMHSP or
15 specialty prepaid health plan to implement programs to encourage
16 diversion of persons with serious mental illness, serious emotional
17 disturbance, or developmental disability from possible jail
18 incarceration when appropriate.

19 (2) Each CMHSP or specialty prepaid health plan shall have
20 jail diversion services and shall work toward establishing working
21 relationships with representative staff of local law enforcement
22 agencies, including county prosecutors' offices, county sheriffs'
23 offices, county jails, municipal police agencies, municipal
24 detention facilities, and the courts. Written interagency
25 agreements describing what services each participating agency is
26 prepared to commit to the local jail diversion effort and the
27 procedures to be used by local law enforcement agencies to access

1 mental health jail diversion services are strongly encouraged.

2 Sec. 414. Medicaid substance abuse treatment services shall be
3 managed by selected CMHSPs or specialty prepaid health plans
4 pursuant to the centers for Medicare and Medicaid services'
5 approval of Michigan's 1915(b) waiver request to implement a
6 managed care plan for specialized substance abuse services. The
7 selected CMHSPs or specialty prepaid health plans shall receive a
8 capitated payment on a per eligible per month basis to assure
9 provision of medically necessary substance abuse services to all
10 beneficiaries who require those services. The selected CMHSPs or
11 specialty prepaid health plans shall be responsible for the
12 reimbursement of claims for specialized substance abuse services.
13 The CMHSPs or specialty prepaid health plans that are not
14 coordinating agencies may continue to contract with a coordinating
15 agency. Any alternative arrangement must be based on client
16 service needs and have prior approval from the department.

17 Sec. 418. On or before the tenth of each month, the department
18 shall report to the senate and house of representatives
19 appropriations subcommittees on community health, the senate and
20 house fiscal agencies, and the state budget director on the amount
21 of funding paid to the CMHSPs or specialty prepaid health plans to
22 support the Medicaid managed mental health care program in that
23 month. The information shall include the total paid to each CMHSP
24 or specialty prepaid health plan, per capita rate paid for each
25 eligibility group for each CMHSP or specialty prepaid health plan,
26 and number of cases in each eligibility group for each CMHSP or
27 specialty prepaid health plan, and year-to-date summary of

1 eligibles and expenditures for the Medicaid managed mental health
2 care program.

3 Sec. 424. Each community mental health services program or
4 specialty prepaid health plan that contracts with the department to
5 provide services to the Medicaid population shall adhere to the
6 following timely claims processing and payment procedure for claims
7 submitted by health professionals and facilities:

8 (a) A "clean claim" as described in section 111i of the social
9 welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days
10 after receipt of the claim by the community mental health services
11 program or specialty prepaid health plan. A clean claim that is
12 not paid within this time frame shall bear simple interest at a
13 rate of 12% per annum.

14 (b) A community mental health services program or specialty
15 prepaid health plan must state in writing to the health
16 professional or facility any defect in the claim within 30 days
17 after receipt of the claim.

18 (c) A health professional and a health facility have 30 days
19 after receipt of a notice that a claim or a portion of a claim is
20 defective within which to correct the defect. The community mental
21 health services program or specialty prepaid health plan shall pay
22 the claim within 30 days after the defect is corrected.

23 Sec. 425. By April 1, 2007, the department, in conjunction
24 with the department of corrections, shall report the following data
25 from fiscal year 2005-2006 on mental health and substance abuse
26 services to the house of representatives and senate appropriations
27 subcommittees on community health and corrections, the house and

1 senate fiscal agencies, and the state budget office:

2 (a) The number of prisoners receiving substance abuse
3 services, which shall include a description and breakdown of the
4 type of substance abuse services provided to prisoners.

5 (b) The number of prisoners with a primary diagnosis of mental
6 illness and the number of such prisoners receiving mental health
7 services, which shall include a description and breakdown,
8 minimally encompassing the categories of inpatient, residential,
9 and outpatient care, of the type of mental health services provided
10 to those prisoners.

11 (c) The number of prisoners with a primary diagnosis of mental
12 illness and receiving substance abuse services, which shall include
13 a description and breakdown, minimally encompassing the categories
14 of inpatient, residential, and outpatient care, of the type of
15 treatment provided to those prisoners.

16 (d) Data indicating if prisoners receiving mental health
17 services for a primary diagnosis of mental illness were previously
18 hospitalized in a state psychiatric hospital for persons with
19 mental illness.

20 (e) Data indicating if prisoners with a primary diagnosis of
21 mental illness and receiving substance abuse services were
22 previously hospitalized in a state psychiatric hospital for persons
23 with mental illness.

24 Sec. 428. Each CMHSP and affiliation of CMHSPs shall provide,
25 from internal resources, local funds to be used as a bona fide part
26 of the state match required under the Medicaid program in order to
27 increase capitation rates for CMHSPs and affiliations of CMHSPs.

1 These funds shall not include either state funds received by a
2 CMHSP for services provided to non-Medicaid recipients or the state
3 matching portion of the Medicaid capitation payments made to a
4 CMHSP or an affiliation of CMHSPs.

5 Sec. 435. A county required under the provisions of the mental
6 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
7 matching funds to a CMHSP for mental health services rendered to
8 residents in its jurisdiction shall pay the matching funds in equal
9 installments on not less than a quarterly basis throughout the
10 fiscal year, with the first payment being made by October 1, 2006.

11 Sec. 442. (1) The department shall assure that persons
12 enrolled in the Medicaid adult benefits waiver program shall
13 receive mental health services as approved in the state plan
14 amendment.

15 (2) Capitation payments to CMHSPs or specialty prepaid health
16 plans for persons who become enrolled in the Medicaid adult
17 benefits waiver program shall be made using the same rate
18 methodology as payments for the current Medicaid beneficiaries.

19 (3) If enrollment in the Medicaid adult benefits waiver
20 program does not achieve expectations and the funding appropriated
21 for the Medicaid adult benefits waiver program for specialty
22 services is not expended, the general fund balance shall be
23 transferred back to the community mental health non-Medicaid
24 services line. The department shall report quarterly to the senate
25 and house of representatives appropriations subcommittees on
26 community health a summary of eligible expenditures for the
27 Medicaid adult benefits waiver program by CMHSPs or specialty

1 prepaid health plans.

2 Sec. 456. The prepaid inpatient health plans shall honor
3 consumer choice to the fullest extent possible when providing
4 Medicaid mental health services and support programs for
5 individuals with mental illness, developmental disabilities, or
6 substance abuse issues. Consumer choices shall include skill
7 building assistance and work preparatory services provided in
8 accredited community based rehabilitation organizations, as well as
9 supported and integrated employment services. The prepaid
10 inpatient health plans shall not arbitrarily eliminate any choices
11 from the array of services available to consumers without
12 reasonable justification that those services are not in the
13 consumer's best interest.

14 Sec. 463. The department shall establish standard program
15 evaluation measures to assess the overall effectiveness of programs
16 provided through coordinating agencies and service providers in
17 reducing and preventing the incidence of substance abuse. The
18 measures established by the department shall be modeled after the
19 program outcome measures and best practice guidelines for the
20 treatment of substance abuse as proposed by the federal substance
21 abuse and mental health services administration.

22 Sec. 465. Funds appropriated in part 1 for respite services
23 shall be used for direct respite care services for children with
24 serious emotional disturbances and their families. Not more than
25 1% of the funds allocated for respite services shall be expended by
26 CMHSPs for administration and administrative purposes.

**STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL
DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

Sec. 601. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third-party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

(2) 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. Upon approval by the state budget director, such revenues may be allotted and spent for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$1,000,000.00 remaining on September 30, 2007 from the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. 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.

1 Sec. 603. The funds appropriated in part 1 for forensic mental
2 health services provided to the department of corrections are in
3 accordance with the interdepartmental plan developed in cooperation
4 with the department of corrections. The department is authorized
5 to receive and expend funds from the department of corrections in
6 addition to the appropriations in part 1 to fulfill the obligations
7 outlined in the interdepartmental agreements.

8 Sec. 604. (1) The CMHSPs or specialty prepaid health plans
9 shall provide annual reports to the department on the following
10 information:

11 (a) The number of days of care purchased from state hospitals
12 and centers.

13 (b) The number of days of care purchased from private
14 hospitals in lieu of purchasing days of care from state hospitals
15 and centers.

16 (c) The number and type of alternative placements to state
17 hospitals and centers other than private hospitals.

18 (d) Waiting lists for placements in state hospitals and
19 centers.

20 (2) The department shall annually report the information in
21 subsection (1) to the house of representatives and senate
22 appropriations subcommittees on community health, the house and
23 senate fiscal agencies, and the state budget director.

24 Sec. 605. (1) The department shall not implement any closures
25 or consolidations of state hospitals, centers, or agencies until
26 CMHSPs or specialty prepaid health plans have programs and services
27 in place for those persons currently in those facilities and a plan

1 for service provision for those persons who would have been
2 admitted to those facilities.

3 (2) All closures or consolidations are dependent upon adequate
4 department-approved CMHSP plans that include a discharge and
5 aftercare plan for each person currently in the facility. A
6 discharge and aftercare plan shall address the person's housing
7 needs. A homeless shelter or similar temporary shelter
8 arrangements are inadequate to meet the person's housing needs.

9 (3) Four months after the certification of closure required in
10 section 19(6) of the state employees' retirement act, 1943 PA 240,
11 MCL 38.19, the department shall provide a closure plan to the house
12 of representatives and senate appropriations subcommittees on
13 community health and the state budget director.

14 (4) Upon the closure of state-run operations and after
15 transitional costs have been paid, the remaining balances of funds
16 appropriated for that operation shall be transferred to CMHSPs or
17 specialty prepaid health plans responsible for providing services
18 for persons previously served by the operations.

19 Sec. 606. The department may collect revenue for patient
20 reimbursement from first- and third-party payers, including
21 Medicaid and local county CMHSP payers, to cover the cost of
22 placement in state hospitals and centers. The department is
23 authorized to adjust financing sources for patient reimbursement
24 based on actual revenues earned. If the revenue collected exceeds
25 current year expenditures, the revenue may be carried forward with
26 approval of the state budget director. The revenue carried forward
27 shall be used as a first source of funds in the subsequent year.

1 **PUBLIC HEALTH ADMINISTRATION**

2 Sec. 650. The department shall communicate the annual public
3 health consumption advisory for sportfish. The department shall,
4 at a minimum, post the advisory on the Internet and make the
5 information in the advisory available to the clients of the women,
6 infants, and children special supplemental nutrition program.

7 **HEALTH POLICY, REGULATION AND PROFESSIONS**

8 Sec. 704. The department shall support an emergency medical
9 services program to ensure that a sufficient number of qualified
10 emergency medical services personnel exist to serve rural areas of
11 the state.

12 Sec. 706. When hiring any new nursing home inspectors funded
13 through appropriations in part 1, the department shall make every
14 effort to hire individuals with past experience in the long-term
15 care industry.

16 Sec. 707. The funds appropriated in part 1 for the nurse
17 scholarship program, established in section 16315 of the public
18 health code, 1978 PA 368, MCL 333.16315, shall be used to increase
19 the number of nurses practicing in Michigan. The board of nursing
20 is encouraged to structure scholarships funded under this bill in a
21 manner that rewards recipients who intend to practice nursing in
22 Michigan. In addition, the department and the board of nursing
23 shall work cooperatively with the Michigan higher education
24 assistance authority to coordinate scholarship assistance with
25 scholarships provided pursuant to the Michigan nursing scholarship

1 act, 2002 PA 591, MCL 390.1181 to 390.1189.

2 Sec. 708. Nursing facilities shall report in the quarterly
3 staff report to the department, the total patient care hours
4 provided each month, by state licensure and certification
5 classification, and the percentage of pool staff, by state
6 licensure and certification classification, used each month during
7 the preceding quarter. The department shall make available to the
8 public, the quarterly staff report compiled for all facilities
9 including the total patient care hours and the percentage of pool
10 staff used, by classification.

11 Sec. 709. The funds appropriated in part 1 for the Michigan
12 essential health care provider program may also provide loan
13 repayment for dentists that fit the criteria established by part 27
14 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

15 Sec. 710. From the funds appropriated in part 1 for primary
16 care services, an amount not to exceed \$1,723,300.00 is
17 appropriated to enhance the service capacity of the federally
18 qualified health centers and other health centers which are similar
19 to federally qualified health centers.

20 Sec. 711. The department may make available to interested
21 entities customized listings of nonconfidential information in its
22 possession, such as names and addresses of licensees. The
23 department may establish and collect a reasonable charge to provide
24 this service. The revenue received from this service shall be used
25 to offset expenses to provide the service. Any balance of this
26 revenue collected and unexpended at the end of the fiscal year
27 shall revert to the appropriate restricted fund.

1 Sec. 712. From the funds appropriated in part 1 for primary
2 care services, \$250,000.00 shall be allocated to free health
3 clinics operating in the state. The department shall distribute
4 the funds equally to each free health clinic. For the purpose of
5 this appropriation, free health clinics are nonprofit organizations
6 that use volunteer health professionals to provide care to
7 uninsured individuals.

8 **INFECTIOUS DISEASE CONTROL**

9 Sec. 801. In the expenditure of funds appropriated in part 1
10 for AIDS programs, the department and its subcontractors shall
11 ensure that adolescents receive priority for prevention, education,
12 and outreach services.

13 Sec. 802. In developing and implementing AIDS provider
14 education activities, the department may provide funding to the
15 Michigan state medical society to serve as lead agency to convene a
16 consortium of health care providers, to design needed educational
17 efforts, to fund other statewide provider groups, and to assure
18 implementation of these efforts, in accordance with a plan approved
19 by the department.

20 Sec. 803. The department shall continue the AIDS drug
21 assistance program maintaining the prior year eligibility criteria
22 and drug formulary. This section is not intended to prohibit the
23 department from providing assistance for improved AIDS treatment
24 medications. If the appropriation in part 1 is not sufficient to
25 maintain the prior year eligibility criteria and drug formulary,
26 the department may revise eligibility criteria and drug formulary

1 in a manner that is consistent with federal program guidelines.

2 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

3 Sec. 901. The amount appropriated in part 1 for implementation
4 of the 1993 amendments to sections 9161, 16221, 16226, 17014,
5 17015, and 17515 of the public health code, 1978 PA 368, MCL
6 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
7 333.17515, shall reimburse local health departments for costs
8 incurred related to implementation of section 17015(18) of the
9 public health code, 1978 PA 368, MCL 333.17015.

10 Sec. 902. If a county that has participated in a district
11 health department or an associated arrangement with other local
12 health departments takes action to cease to participate in such an
13 arrangement after October 1, 2006, the department shall have the
14 authority to assess a penalty from the local health department's
15 operational accounts in an amount equal to no more than 5% of the
16 local health department's local public health operations funding.
17 This penalty shall only be assessed to the local county that
18 requests the dissolution of the health department.

19 Sec. 903. The department shall provide a report annually to
20 the house of representatives and senate appropriations
21 subcommittees on community health, the senate and house fiscal
22 agencies, and the state budget director on the expenditures and
23 activities undertaken by the lead abatement program. The report
24 shall include, but is not limited to, a funding allocation
25 schedule, expenditures by category of expenditure and by
26 subcontractor, revenues received, description of program elements,

1 and description of program accomplishments and progress.

2 Sec. 904. (1) Funds appropriated in part 1 for local public
3 health operations shall be prospectively allocated to local health
4 departments to support immunizations, infectious disease control,
5 sexually transmitted disease control and prevention, hearing
6 screening, vision services, food protection, public water supply,
7 private groundwater supply, and on-site sewage management. Food
8 protection shall be provided in consultation with the Michigan
9 department of agriculture. Public water supply, private
10 groundwater supply, and on-site sewage management shall be provided
11 in consultation with the Michigan department of environmental
12 quality.

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

15 (3) Distributions in subsection (1) shall be made only to
16 counties that maintain local spending in fiscal year 2006-2007 of
17 at least the amount expended in fiscal year 1992-1993 for the
18 services described in subsection (1).

19 (4) By April 1, 2007, the department shall make available upon
20 request a report to the senate or house of representatives
21 appropriations subcommittee on community health, the senate or
22 house fiscal agency, or the state budget director on the planned
23 allocation of the funds appropriated for local public health
24 operations.

25 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

26 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's

1 information network shall be used to provide information and
2 referral services through regional networks for persons with
3 Alzheimer's disease or related disorders, their families, and
4 health care providers.

5 Sec. 1006. (1) In spending the funds appropriated in part 1
6 for the smoking prevention program, priority shall be given to
7 prevention and smoking cessation programs for pregnant women, women
8 with young children, and adolescents.

9 (2) For purposes of complying with 2004 PA 164, \$900,000.00 of
10 the funds appropriated in part 1 for the smoking prevention program
11 shall be used for the quit kit program that includes the nicotine
12 patch or nicotine gum.

13 Sec. 1007. (1) The funds appropriated in part 1 for violence
14 prevention shall be used for, but not be limited to, the following:

15 (a) Programs aimed at the prevention of spouse, partner, or
16 child abuse and rape.

17 (b) Programs aimed at the prevention of workplace violence.

18 (2) In awarding grants from the amounts appropriated in part 1
19 for violence prevention, the department shall give equal
20 consideration to public and private nonprofit applicants.

21 (3) From the funds appropriated in part 1 for violence
22 prevention, the department may include local school districts as
23 recipients of the funds for family violence prevention programs.

24 Sec. 1009. From the funds appropriated in part 1 for the
25 diabetes and kidney program, a portion of the funds may be
26 allocated to the National Kidney Foundation of Michigan for kidney
27 disease prevention programming including early identification and

1 education programs and kidney disease prevention demonstration
2 projects.

3 Sec. 1010. From the funds appropriated in part 1 for chronic
4 disease prevention, \$200,000.00 shall be allocated for osteoporosis
5 prevention and treatment education.

6 Sec. 1019. From the funds appropriated in part 1 for chronic
7 disease prevention, \$50,000.00 may be allocated for stroke
8 prevention, education, and outreach. The objectives of the program
9 shall include education to assist persons in identifying risk
10 factors, and education to assist persons in the early
11 identification of the occurrence of a stroke in order to minimize
12 stroke damage.

13 Sec. 1028. Contingent on the availability of state restricted
14 healthy Michigan fund money or federal preventive health and health
15 services block grant fund money, funds may be appropriated for the
16 African-American male health initiative.

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

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

26 Sec. 1104. Before April 1, 2007, the department shall submit a

1 report to the house and senate fiscal agencies and the state budget
2 director on planned allocations from the amounts appropriated in
3 part 1 for local MCH services, prenatal care outreach and service
4 delivery support, family planning local agreements, and pregnancy
5 prevention programs. Using applicable federal definitions, the
6 report shall include information on all of the following:

7 (a) Funding allocations.

8 (b) Actual number of women, children, and/or adolescents
9 served and amounts expended for each group for the fiscal year
10 2005-2006.

11 Sec. 1105. For all programs for which an appropriation is made
12 in part 1, the department shall contract with those local agencies
13 best able to serve clients. Factors to be used by the department
14 in evaluating agencies under this section shall include ability to
15 serve high-risk population groups; ability to serve low-income
16 clients, where applicable; availability of, and access to, service
17 sites; management efficiency; and ability to meet federal
18 standards, when applicable.

19 Sec. 1106. Each family planning program receiving federal
20 title X family planning funds shall be in compliance with all
21 performance and quality assurance indicators that the United States
22 bureau of community health services specifies in the family
23 planning annual report. An agency not in compliance with the
24 indicators shall not receive supplemental or reallocated funds.

25 Sec. 1106a. (1) Federal abstinence money expended in part 1
26 for the purpose of promoting abstinence education shall provide
27 abstinence education to teenagers most likely to engage in high-

1 risk behavior as their primary focus, and may include programs that
2 include 9- to 17-year-olds. Programs funded must meet all of the
3 following guidelines:

4 (a) Teaches the gains to be realized by abstaining from sexual
5 activity.

6 (b) Teaches abstinence from sexual activity outside of
7 marriage as the expected standard for all school-age children.

8 (c) Teaches that abstinence is the only certain way to avoid
9 out-of-wedlock pregnancy, sexually transmitted diseases, and other
10 health problems.

11 (d) Teaches that a monogamous relationship in the context of
12 marriage is the expected standard of human sexual activity.

13 (e) Teaches that sexual activity outside of marriage is likely
14 to have harmful effects.

15 (f) Teaches that bearing children out of wedlock is likely to
16 have harmful consequences.

17 (g) Teaches young people how to avoid sexual advances and how
18 alcohol and drug use increases vulnerability to sexual advances.

19 (h) Teaches the importance of attaining self-sufficiency
20 before engaging in sexual activity.

21 (2) Coalitions, organizations, and programs that do not
22 provide contraceptives to minors and demonstrate efforts to include
23 parental involvement as a means of reducing the risk of teens
24 becoming pregnant shall be given priority in the allocations of
25 funds.

26 (3) Programs and organizations that meet the guidelines of
27 subsection (1) and criteria of subsection (2) shall have the option

1 of receiving all or part of their funds directly from the
2 department of community health.

3 Sec. 1107. Of the amount appropriated in part 1 for prenatal
4 care outreach and service delivery support, not more than 9% shall
5 be expended for local administration, data processing, and
6 evaluation.

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

10 Sec. 1109. (1) From the amounts appropriated in part 1 for
11 dental programs, funds shall be allocated to the Michigan dental
12 association for the administration of a volunteer dental program
13 that would provide dental services to the uninsured in an amount
14 that is no less than the amount allocated to that program in fiscal
15 year 1996-1997.

16 (2) Not later than December 1 of the current fiscal year, the
17 department shall make available upon request a report to the senate
18 or house of representatives appropriations subcommittee on
19 community health or the senate or house of representatives standing
20 committee on health policy the number of individual patients
21 treated, number of procedures performed, and approximate total
22 market value of those procedures through September 30, 2006.

23 Sec. 1110. Agencies that currently receive pregnancy
24 prevention funds and either receive or are eligible for other
25 family planning funds shall have the option of receiving all of
26 their family planning funds directly from the department of
27 community health and be designated as delegate agencies.

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

5 Sec. 1112. From the funds appropriated in part 1 for prenatal
6 care outreach and service delivery support, the department shall
7 allocate at least \$1,000,000.00 to communities with high infant
8 mortality rates.

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

17 Sec. 1133. The department shall release infant mortality rate
18 data to all local public health departments no later than 48 hours
19 prior to releasing infant mortality rate data to the public.

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

27 (a) The department of education.

1 (b) The department of community health.

2 (c) The health administration in the department of community
3 health.

4 (d) The bureau of mental health and substance abuse services
5 in the department of community health.

6 (e) The department of human services.

7 (f) The department of state police.

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

18 **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

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

24 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

25 Sec. 1201. Funds appropriated in part 1 for medical care and

1 treatment of children with special health care needs shall be paid
2 according to reimbursement policies determined by the Michigan
3 medical services program. Exceptions to these policies may be
4 taken with the prior approval of the state budget director.

5 Sec. 1202. The department may do 1 or more of the following:

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

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

10 (c) Provide genetic diagnostic and counseling services for
11 eligible families.

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

15 **OFFICE OF DRUG CONTROL POLICY**

16 Sec. 1250. In addition to the \$1,800,000.00 in Byrne formula
17 grant program funding the department provides to local drug
18 treatment courts, the department shall provide \$1,800,000.00 in
19 Byrne formula grant program funding to the judiciary by
20 interdepartmental grant.

21 **CRIME VICTIM SERVICES COMMISSION**

22 Sec. 1302. From the funds appropriated in part 1 for justice
23 assistance grants, up to \$50,000.00 shall be allocated for
24 expansion of forensic nurse examiner programs to facilitate
25 training for improved evidence collection for the prosecution of

1 sexual assault. The funds shall be used for program coordination,
2 training, and counseling. Unexpended funds shall be carried
3 forward.

4 **OFFICE OF SERVICES TO THE AGING**

5 Sec. 1401. The appropriation in part 1 to the office of
6 services to the aging, for community and nutrition services and
7 home services, shall be restricted to eligible individuals at least
8 60 years of age who fail to qualify for home care services under
9 title XVIII, XIX, or XX.

10 Sec. 1403. The office of services to the aging shall require
11 each region to report to the office of services to the aging home
12 delivered meals waiting lists based upon standard criteria.
13 Determining criteria shall include all of the following:

14 (a) The recipient's degree of frailty.

15 (b) The recipient's inability to prepare his or her own meals
16 safely.

17 (c) Whether the recipient has another care provider available.

18 (d) Any other qualifications normally necessary for the
19 recipient to receive home delivered meals.

20 Sec. 1404. The area agencies and local providers may receive
21 and expend fees for the provision of day care, care management,
22 respite care, and certain eligible home and community-based
23 services. The fees shall be based on a sliding scale, taking
24 client income into consideration. The fees shall be used to expand
25 services.

26 Sec. 1406. The appropriation of \$5,000,000.00 merit award

1 trust funds to the office of services to the aging for the respite
2 care program shall be allocated in accordance with a long-term care
3 plan developed by the long-term care working group established in
4 section 1657 of 1998 PA 336 upon implementation of the plan. The
5 use of the funds shall be for direct respite care or adult respite
6 care center services. Not more than 9% of the amount allocated
7 under this section shall be expended for administration and
8 administrative purposes.

9 Sec. 1413. The office of services to the aging affirms the
10 commitment to locally-based services and supports the role of local
11 county board of commissioners in the approval of area agency on
12 aging plans. Local counties may request to change membership in
13 the area agencies on aging if the change is to an area agency on
14 aging region that is contiguous to that county pursuant to office
15 of services to the aging policies and procedures for area agency on
16 aging designation. The office of services to the aging may work
17 with others to provide training to commissions to better understand
18 and advocate for aging issues. Area agencies on aging are
19 prohibited from providing direct services, other than access
20 services, unless they receive a waiver from the commission on
21 services to the aging. This section is conditioned on compliance
22 with federal and state laws, rules, and policies.

23 Sec. 1416. The office of services to the aging may provide in-
24 home services, resources, and assistance for the frail elderly who
25 are not being served by the Medicaid home-and community-based
26 services waiver program.

1 **MICHIGAN FIRST HEALTHCARE PLAN**

2 Sec. 1501. Funds appropriated in part 1 for the Michigan First
3 Healthcare Plan are contingent upon approval of a waiver from
4 the federal government.

5 **MEDICAL SERVICES**

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

11 Sec. 1602. Medical services shall be provided to elderly and
12 disabled persons with incomes less than or equal to 100% of the
13 official poverty level, pursuant to the state's option to elect
14 such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title
15 XIX, 42 USC 1396a.

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

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

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

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

1 public assistance standard.

2 (2) The department shall notify the senate and house of
3 representatives appropriations subcommittees on community health
4 and the state budget director of any proposed revisions to the
5 protected income level for Medicaid coverage related to the public
6 assistance standard 90 days prior to implementation.

7 Sec. 1606. For the purpose of guardian and conservator
8 charges, the department of community health may deduct up to \$60.00
9 per month as an allowable expense against a recipient's income when
10 determining medical services eligibility and patient pay amounts.

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

18 (2) An applicant qualified as described in subsection (1)
19 shall be given a letter of authorization to receive Medicaid
20 covered services related to her pregnancy. All qualifying
21 applicants shall be entitled to receive all medically necessary
22 obstetrical and prenatal care without preauthorization from a
23 health plan. All claims submitted for payment for obstetrical and
24 prenatal care shall be paid at the Medicaid fee-for-service rate in
25 the event a contract does not exist between the Medicaid
26 participating obstetrical or prenatal care provider and the managed
27 care plan. The applicant shall receive a listing of Medicaid

1 physicians and managed care plans in the immediate vicinity of the
2 applicant's residence.

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

10 (4) If the preponderance of evidence in an application
11 indicates that the applicant is not eligible for Medicaid, the
12 department shall refer that applicant to the nearest public health
13 clinic or similar entity as a potential source for receiving
14 pregnancy-related services.

15 (5) The department shall develop an enrollment process for
16 pregnant women covered under this section that facilitates the
17 selection of a managed care plan at the time of application.

18 Sec. 1611. (1) For care provided to medical services
19 recipients with other third-party sources of payment, medical
20 services reimbursement shall not exceed, in combination with such
21 other resources, including Medicare, those amounts established for
22 medical services-only patients. The medical services payment rate
23 shall be accepted as payment in full. Other than an approved
24 medical services copayment, no portion of a provider's charge shall
25 be billed to the recipient or any person acting on behalf of the
26 recipient. Nothing in this section shall be considered to affect
27 the level of payment from a third-party source other than the

1 medical services program. The department shall require a
2 nonenrolled provider to accept medical services payments as payment
3 in full.

4 (2) Notwithstanding subsection (1), medical services
5 reimbursement for hospital services provided to dual
6 Medicare/medical services recipients with Medicare part B coverage
7 only shall equal, when combined with payments for Medicare and
8 other third-party resources, if any, those amounts established for
9 medical services-only patients, including capital payments.

10 Sec. 1620. (1) For fee-for-service recipients who do not
11 reside in nursing homes, the pharmaceutical dispensing fee shall be
12 \$2.50 or the pharmacy's usual or customary cash charge, whichever
13 is less. For nursing home residents, the pharmaceutical dispensing
14 fee shall be \$2.75 or the pharmacy's usual or customary cash
15 charge, whichever is less.

16 (2) The department shall require a prescription copayment for
17 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
18 brand-name drug, except as prohibited by federal or state law or
19 regulation.

20 (3) For fee-for-service recipients, an optional mail order
21 pharmacy program shall be available.

22 Sec. 1623. (1) The department shall continue the Medicaid
23 policy that allows for the dispensing of a 100-day supply for
24 maintenance drugs.

25 (2) The department shall notify all HMOs, physicians,
26 pharmacies, and other medical providers that are enrolled in the
27 Medicaid program that Medicaid policy allows for the dispensing of

1 a 100-day supply for maintenance drugs.

2 (3) The notice in subsection (2) shall also clarify that a
3 pharmacy shall fill a prescription written for maintenance drugs in
4 the quantity specified by the physician, but not more than the
5 maximum allowed under Medicaid, unless subsequent consultation with
6 the prescribing physician indicates otherwise.

7 Sec. 1625. The department shall continue its practice of
8 placing all atypical antipsychotic medications on the Medicaid
9 preferred drug list.

10 Sec. 1627. (1) The department shall use procedures and rebates
11 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,
12 to secure quarterly rebates from pharmaceutical manufacturers for
13 outpatient drugs dispensed to participants in the MIChild program,
14 maternal outpatient medical services program, children's special
15 health care services, and adult benefit waiver program.

16 (2) For products distributed by pharmaceutical manufacturers
17 not providing quarterly rebates as listed in subsection (1), the
18 department may require preauthorization.

19 Sec. 1629. The department shall utilize maximum allowable cost
20 pricing for generic drugs that is based on wholesaler pricing to
21 providers that is available from at least 2 wholesalers who deliver
22 in the state of Michigan.

23 Sec. 1630. (1) Medicaid coverage for podiatric services, adult
24 dental services, and chiropractic services shall continue at not
25 less than the level in effect on October 1, 2002, except that
26 reasonable utilization limitations may be adopted in order to
27 prevent excess utilization. The department shall not impose

1 utilization restrictions on chiropractic services unless a
2 recipient has exceeded 18 office visits within 1 year.

3 (2) The department may implement the bulk purchase of hearing
4 aids, impose limitations on binaural hearing aid benefits, and
5 limit the replacement of hearing aids to once every 3 years.

6 Sec. 1631. (1) The department shall require copayments on
7 dental, podiatric, chiropractic, vision, and hearing aid services
8 provided to Medicaid recipients, except as prohibited by federal or
9 state law or regulation.

10 (2) Except as otherwise prohibited by federal or state law or
11 regulations, the department shall require Medicaid recipients to
12 pay the following copayments:

13 (a) Two dollars for a physician office visit.

14 (b) Three dollars for a hospital emergency room visit.

15 (c) Fifty dollars for the first day of an in-patient hospital
16 stay.

17 (d) One dollar for an out-patient hospital visit.

18 Sec. 1634. From the funds appropriated in part 1 for ambulance
19 services, the department shall continue the 5% increase in payment
20 rates for ambulance services implemented in fiscal year 2000-2001
21 and increase the ground mileage reimbursement rate per statute mile
22 to \$4.25.

23 Sec. 1635. From the funds appropriated in part 1 for physician
24 services and health plan services, \$6,910,800.00, of which
25 \$3,000,000.00 is general fund/general purpose funds, shall be
26 allocated to increase Medicaid reimbursement rates for obstetrical
27 services.

1 Sec. 1637. (1) All adult Medicaid recipients shall be offered
2 the opportunity to sign a Medicaid personal responsibility
3 agreement.

4 (2) The personal responsibility agreement shall include at
5 minimum the following provisions:

6 (a) That the recipient shall not smoke.

7 (b) That the recipient shall attend all scheduled medical
8 appointments.

9 (c) That the recipient shall exercise regularly.

10 (d) That if the recipient has children, those children shall
11 be up-to-date on their immunizations.

12 (e) That the recipient shall abstain from abusing controlled
13 substances and narcotics.

14 Sec. 1641. An institutional provider that is required to
15 submit a cost report under the medical services program shall
16 submit cost reports completed in full within 5 months after the end
17 of its fiscal year.

18 Sec. 1643. Of the funds appropriated in part 1 for graduate
19 medical education in the hospital services and therapy line item
20 appropriation, not less than \$10,359,000.00 shall be allocated for
21 the psychiatric residency training program that establishes and
22 maintains collaborative relations with the schools of medicine at
23 Michigan State University and Wayne State University if the
24 necessary allowable Medicaid matching funds are provided by the
25 universities.

26 Sec. 1648. The department shall maintain an automated toll-
27 free phone line to enable medical providers to verify the

1 eligibility status of Medicaid recipients. There shall be no
2 charge to providers for the use of the toll-free phone line.

3 Sec. 1649. From the funds appropriated in part 1 for medical
4 services, the department shall continue breast and cervical cancer
5 treatment coverage for women up to 250% of the federal poverty
6 level, who are under age 65, and who are not otherwise covered by
7 insurance. This coverage shall be provided to women who have been
8 screened through the centers for disease control breast and
9 cervical cancer early detection program, and are found to have
10 breast or cervical cancer, pursuant to the breast and cervical
11 cancer prevention and treatment act of 2000, Public Law 106-354,
12 114 Stat. 1381.

13 Sec. 1650. (1) The department may require medical services
14 recipients residing in counties offering managed care options to
15 choose the particular managed care plan in which they wish to be
16 enrolled. Persons not expressing a preference may be assigned to a
17 managed care provider.

18 (2) Persons to be assigned a managed care provider shall be
19 informed in writing of the criteria for exceptions to capitated
20 managed care enrollment, their right to change HMOs for any reason
21 within the initial 90 days of enrollment, the toll-free telephone
22 number for problems and complaints, and information regarding
23 grievance and appeals rights.

24 (3) The criteria for medical exceptions to HMO enrollment
25 shall be based on submitted documentation that indicates a
26 recipient has a serious medical condition, and is undergoing active
27 treatment for that condition with a physician who does not

1 participate in 1 of the HMOs. If the person meets the criteria
2 established by this subsection, the department shall grant an
3 exception to mandatory enrollment at least through the current
4 prescribed course of treatment, subject to periodic review of
5 continued eligibility.

6 Sec. 1651. (1) Medical services patients who are enrolled in
7 HMOs have the choice to elect hospice services or other services
8 for the terminally ill that are offered by the HMOs. If the
9 patient elects hospice services, those services shall be provided
10 in accordance with part 214 of the public health code, 1978 PA 368,
11 MCL 333.21401 to 333.21420.

12 (2) The department shall not amend the medical services
13 hospice manual in a manner that would allow hospice services to be
14 provided without making available all comprehensive hospice
15 services described in 42 CFR part 418.

16 Sec. 1653. Implementation and contracting for managed care by
17 the department through HMOs shall be subject to the following
18 conditions:

19 (a) Continuity of care is assured by allowing enrollees to
20 continue receiving required medically necessary services from their
21 current providers for a period not to exceed 1 year if enrollees
22 meet the managed care medical exception criteria.

23 (b) The department shall require contracted HMOs to submit
24 data determined necessary for evaluation on a timely basis.

25 (c) Mandatory enrollment of Medicaid beneficiaries living in
26 counties defined as rural by the federal government, which is any
27 nonurban standard metropolitan statistical area, is allowed if

1 there is only 1 HMO serving the Medicaid population, as long as
2 each Medicaid beneficiary is assured of having a choice of at least
3 2 physicians by the HMO.

4 (d) Enrollment of recipients of children's special health care
5 services in HMOs shall be voluntary during the fiscal year.

6 (e) The department shall develop a case adjustment to its rate
7 methodology that considers the costs of persons with HIV/AIDS, end
8 stage renal disease, organ transplants, and other high-cost
9 diseases or conditions and shall implement the case adjustment when
10 it is proven to be actuarially and fiscally sound. Implementation
11 of the case adjustment must be budget neutral.

12 Sec. 1654. Medicaid HMOs shall provide for reimbursement of
13 HMO covered services delivered other than through the HMO's
14 providers if medically necessary and approved by the HMO,
15 immediately required, and that could not be reasonably obtained
16 through the HMO's providers on a timely basis. Such services shall
17 be considered approved if the HMO does not respond to a request for
18 authorization within 24 hours of the request. Reimbursement shall
19 not exceed the Medicaid fee-for-service payment for those services.

20 Sec. 1655. (1) The department may require a 12-month lock-in
21 to the HMO selected by the recipient during the initial and
22 subsequent open enrollment periods, but allow for good cause
23 exceptions during the lock-in period.

24 (2) Medicaid recipients shall be allowed to change HMOs for
25 any reason within the initial 90 days of enrollment.

26 Sec. 1656. (1) The department shall provide an expedited
27 complaint review procedure for Medicaid eligible persons enrolled

1 in HMOs for situations in which failure to receive any health care
2 service would result in significant harm to the enrollee.

3 (2) The department shall provide for a toll-free telephone
4 number for Medicaid recipients enrolled in managed care to assist
5 with resolving problems and complaints. If warranted, the
6 department shall immediately disenroll persons from managed care
7 and approve fee-for-service coverage.

8 (3) Annual reports summarizing the problems and complaints
9 reported and their resolution shall be provided to the house of
10 representatives and senate appropriations subcommittees on
11 community health, the house and senate fiscal agencies, and the
12 state budget office.

13 Sec. 1657. (1) Reimbursement for medical services to screen
14 and stabilize a Medicaid recipient, including stabilization of a
15 psychiatric crisis, in a hospital emergency room shall not be made
16 contingent on obtaining prior authorization from the recipient's
17 HMO. If the recipient is discharged from the emergency room, the
18 hospital shall notify the recipient's HMO within 24 hours of the
19 diagnosis and treatment received.

20 (2) If the treating hospital determines that the recipient
21 will require further medical service or hospitalization beyond the
22 point of stabilization, that hospital must receive authorization
23 from the recipient's HMO prior to admitting the recipient.

24 (3) Subsections (1) and (2) shall not be construed as a
25 requirement to alter an existing agreement between an HMO and their
26 contracting hospitals nor as a requirement that an HMO must
27 reimburse for services that are not considered to be medically

1 necessary.

2 (4) Prior to contracting with an HMO for managed care services
3 that did not have a contract with the department before October 1,
4 2002, the department shall receive assurances from the office of
5 financial and insurance services that the HMO meets the net worth
6 and financial solvency requirements contained in chapter 35 of the
7 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

8 Sec. 1658. (1) HMOs shall have contracts with hospitals within
9 a reasonable distance from their enrollees. If a hospital does not
10 contract with the HMO, in its service area, that hospital shall
11 enter into a hospital access agreement as specified in the MSA
12 bulletin Hospital 01-19.

13 (2) A hospital access agreement specified in subsection (1)
14 shall be considered an affiliated provider contract pursuant to the
15 requirements contained in chapter 35 of the insurance code of 1956,
16 1956 PA 218, MCL 500.3501 to 500.3580.

17 Sec. 1659. The following sections of this bill are the only
18 ones that shall apply to the following Medicaid managed care
19 programs, including health plan services, children's special health
20 care services plan, MIChoice long-term care plan, and the mental
21 health, substance abuse, and developmentally disabled services
22 program: 401, 402, 404, 411, 414, 418, 424, 428, 456, 1650, 1651,
23 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, and 1699.

24 Sec. 1660. (1) The department shall assure that all Medicaid
25 children have timely access to EPSDT services as required by
26 federal law. Medicaid HMOs shall provide EPSDT services to their
27 child members in accordance with Medicaid EPSDT policy.

1 (2) The primary responsibility of assuring a child's hearing
2 and vision screening is with the child's primary care provider.
3 The primary care provider shall provide age appropriate screening
4 or arrange for these tests through referrals to local health
5 departments. Local health departments shall provide preschool
6 hearing and vision screening services and accept referrals for
7 these tests from physicians or from Head Start programs in order to
8 assure all preschool children have appropriate access to hearing
9 and vision screening. Local health departments shall be reimbursed
10 for the cost of providing these tests for Medicaid eligible
11 children by the Medicaid program.

12 (3) The department shall require Medicaid HMOs to provide
13 EPSDT utilization data through the encounter data system, and
14 health employer data and information set well child health measures
15 in accordance with the National Committee on Quality Assurance
16 prescribed methodology.

17 (4) The department shall require HMOs to be responsible for
18 well child visits and maternal and infant support services as
19 described in Medicaid policy. These responsibilities shall be
20 specified in the information distributed by the HMOs to their
21 members.

22 (5) The department shall provide, on an annual basis, budget
23 neutral incentives to Medicaid HMOs and local health departments to
24 improve performance on measures related to the care of children and
25 pregnant women.

26 Sec. 1661. (1) The department shall assure that all Medicaid
27 eligible children and pregnant women have timely access to MSS/ISS

1 services. Medicaid HMOs shall assure that maternal support service
2 screening is available to their pregnant members and that those
3 women found to meet the maternal support service high-risk criteria
4 are offered maternal support services. Local health departments
5 shall assure that maternal support service screening is available
6 for Medicaid pregnant women not enrolled in an HMO and that those
7 women found to meet the maternal support service high-risk criteria
8 are offered maternal support services or are referred to a
9 certified maternal support service provider.

10 (2) The department shall prohibit HMOs from requiring prior
11 authorization of their contracted providers for any EPSDT screening
12 and diagnosis service, for any MSS/ISS screening referral, or for
13 up to 3 MSS/ISS service visits.

14 (3) The department shall assure the coordination of MSS/ISS
15 services with the WIC program, state-supported substance abuse,
16 smoking prevention, and violence prevention programs, the
17 department of human services, and any other state or local program
18 with a focus on preventing adverse birth outcomes and child abuse
19 and neglect.

20 Sec. 1662. (1) The department shall assure that an external
21 quality review of each contracting HMO is performed that results in
22 an analysis and evaluation of aggregated information on quality,
23 timeliness, and access to health care services that the HMO or its
24 contractors furnish to Medicaid beneficiaries.

25 (2) The department shall provide a copy of the analysis of the
26 Medicaid HMO annual audited health employer data and information
27 set reports and the annual external quality review report to the

1 senate and house of representatives appropriations subcommittees on
2 community health, the senate and house fiscal agencies, and the
3 state budget director, within 30 days of the department's receipt
4 of the final reports from the contractors.

5 (3) The department shall work with the Michigan association of
6 health plans and the Michigan association for local public health
7 to improve service delivery and coordination in the MSS/ISS and
8 EPSDT programs.

9 (4) The department shall assure that training and technical
10 assistance are available for EPSDT and MSS/ISS for Medicaid health
11 plans, local health departments, and MSS/ISS contractors.

12 Sec. 1670. (1) The appropriation in part 1 for the MICHild
13 program is to be used to provide comprehensive health care to all
14 children under age 19 who reside in families with income at or
15 below 200% of the federal poverty level, who are uninsured and have
16 not had coverage by other comprehensive health insurance within 6
17 months of making application for MICHild benefits, and who are
18 residents of this state. The department shall develop detailed
19 eligibility criteria through the medical services administration
20 public concurrence process, consistent with the provisions of this
21 bill. Health care coverage for children in families below 150% of
22 the federal poverty level shall be provided through expanded
23 eligibility under the state's Medicaid program. Health coverage
24 for children in families between 150% and 200% of the federal
25 poverty level shall be provided through a state-based private
26 health care program.

27 (2) The department may provide up to 1 year of continuous

1 eligibility to children eligible for the MICHild program unless the
2 family fails to pay the monthly premium, a child reaches age 19, or
3 the status of the children's family changes and its members no
4 longer meet the eligibility criteria as specified in the federally
5 approved MICHild state plan.

6 (3) Children whose category of eligibility changes between the
7 Medicaid and MICHild programs shall be assured of keeping their
8 current health care providers through the current prescribed course
9 of treatment for up to 1 year, subject to periodic reviews by the
10 department if the beneficiary has a serious medical condition and
11 is undergoing active treatment for that condition.

12 (4) To be eligible for the MICHild program, a child must be
13 residing in a family with an adjusted gross income of less than or
14 equal to 200% of the federal poverty level. The department's
15 verification policy shall be used to determine eligibility.

16 (5) The department shall enter into a contract to obtain
17 MICHild services from any HMO, dental care corporation, or any
18 other entity that offers to provide the managed health care
19 benefits for MICHild services at the MICHild capitated rate. As
20 used in this subsection:

21 (a) "Dental care corporation", "health care corporation",
22 "insurer", and "prudent purchaser agreement" mean those terms as
23 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
24 550.52.

25 (b) "Entity" means a health care corporation or insurer
26 operating in accordance with a prudent purchaser agreement.

27 (6) The department may enter into contracts to obtain certain

1 MICHild services from community mental health service programs.

2 (7) The department may make payments on behalf of children
3 enrolled in the MICHild program from the line-item appropriation
4 associated with the program as described in the MICHild state plan
5 approved by the United States department of health and human
6 services, or from other medical services line-item appropriations
7 providing for specific health care services.

8 Sec. 1671. From the funds appropriated in part 1, the
9 department shall continue a comprehensive approach to the marketing
10 and outreach of the MICHild program. The marketing and outreach
11 required under this section shall be coordinated with current
12 outreach, information dissemination, and marketing efforts and
13 activities conducted by the department.

14 Sec. 1673. (1) The department may establish premiums for
15 MICHild eligible persons in families with income above 150% of the
16 federal poverty level. The monthly premiums shall not exceed
17 \$15.00 for a family.

18 (2) The department shall not require copayments under the
19 MICHild program.

20 Sec. 1680. (1) Payment increases for enhanced wages and new or
21 enhanced employee benefits provided in previous years through the
22 Medicaid nursing home wage pass-through program shall be continued
23 in fiscal year 2006-2007.

24 (2) The department shall not implement any increase or
25 decrease in the Medicaid nursing home wage pass-through program in
26 fiscal year 2006-2007.

27 Sec. 1681. From the funds appropriated in part 1 for home- and

1 community-based services, the department and local waiver agents
2 shall encourage the use of family members, friends, and neighbors
3 of home- and community-based services participants, where
4 appropriate, to provide homemaker services, meal preparation,
5 transportation, chore services, and other nonmedical covered
6 services to participants in the Medicaid home- and community-based
7 services program. This section shall not be construed as allowing
8 for the payment of family members, friends, or neighbors for these
9 services unless explicitly provided for in federal or state law.

10 Sec. 1682. (1) The department shall implement enforcement
11 actions as specified in the nursing facility enforcement provisions
12 of section 1919 of title XIX, 42 USC 1396r.

13 (2) The department is authorized to receive and spend penalty
14 money received as the result of noncompliance with medical services
15 certification regulations. Penalty money, characterized as private
16 funds, received by the department shall increase authorizations and
17 allotments in the long-term care accounts.

18 (3) Any unexpended penalty money, at the end of the year,
19 shall carry forward to the following year.

20 Sec. 1683. The department shall promote activities that
21 preserve the dignity and rights of terminally ill and chronically
22 ill individuals. Priority shall be given to programs, such as
23 hospice, that focus on individual dignity and quality of care
24 provided persons with terminal illness and programs serving persons
25 with chronic illnesses that reduce the rate of suicide through the
26 advancement of the knowledge and use of improved, appropriate pain
27 management for these persons; and initiatives that train health

1 care practitioners and faculty in managing pain, providing
2 palliative care, and suicide prevention.

3 Sec. 1685. All nursing home rates, class I and class III, must
4 have their respective fiscal year rate set 30 days prior to the
5 beginning of their rate year. Rates may take into account the most
6 recent cost report prepared and certified by the preparer, provider
7 corporate owner or representative as being true and accurate, and
8 filed timely, within 5 months of the fiscal year end in accordance
9 with Medicaid policy. If the audited version of the last report is
10 available, it shall be used. Any rate factors based on the filed
11 cost report may be retroactively adjusted upon completion of the
12 audit of that cost report.

13 Sec. 1686. (1) The department shall submit a report by April
14 30, 2007, to the house of representatives and senate appropriations
15 subcommittees on community health and the house of representatives
16 and senate fiscal agencies on the progress of 3 Medicaid long-term
17 care single point of entry services pilot projects. The department
18 shall also submit a final plan to the house of representatives and
19 senate subcommittees on community health and the house of
20 representatives and senate fiscal agencies 60 days prior to any
21 expansion of the program.

22 (2) As used in this section, "single point of entry" means a
23 system that enables consumers to access Medicaid long-term care
24 services and supports through 1 agency or organization and that
25 promotes consumer education and choice of long-term care options.

26 Sec. 1688. The department shall not impose a limit on per unit
27 reimbursements to service providers that provide personal care or

1 other services under the Medicaid home- and community-based
2 services waiver program for the elderly and disabled. The
3 department's per day per client reimbursement cap calculated in the
4 aggregate for all services provided under the Medicaid home- and
5 community-based services waiver is not a violation of this section.

6 Sec. 1689. Priority in enrolling additional persons in the
7 Medicaid home- and community-based services waiver program shall be
8 given to those who are currently residing in nursing homes or who
9 are eligible to be admitted to a nursing home if they are not
10 provided home- and community-based services. The department shall
11 implement screening and assessment procedures to assure that no
12 additional Medicaid eligible persons are admitted to nursing homes
13 who would be more appropriately served by the Medicaid home-and
14 community-based services waiver program.

15 Sec. 1690. From the funds appropriated in part 1 for long-
16 term care services, the department shall implement a wage increase
17 for Medicaid home help/personal care workers. Expenditures
18 associated with this increase shall not exceed \$20,000,000.00.

19 Sec. 1692. (1) The department of community health is
20 authorized to pursue reimbursement for eligible services provided
21 in Michigan schools from the federal Medicaid program. The
22 department and the state budget director are authorized to
23 negotiate and enter into agreements, together with the department
24 of education, with local and intermediate school districts
25 regarding the sharing of federal Medicaid services funds received
26 for these services. The department is authorized to receive and
27 disburse funds to participating school districts pursuant to such

1 agreements and state and federal law.

2 (2) From the funds appropriated in part 1 for medical services
3 school services payments, the department is authorized to do all of
4 the following:

5 (a) Finance activities within the medical services
6 administration related to this project.

7 (b) Reimburse participating school districts pursuant to the
8 fund sharing ratios negotiated in the state-local agreements
9 authorized in subsection (1).

10 (c) Offset general fund costs associated with the medical
11 services program.

12 Sec. 1693. The special Medicaid reimbursement appropriation in
13 part 1 may be increased if the department submits a medical
14 services state plan amendment pertaining to this line item at a
15 level higher than the appropriation. The department is authorized
16 to appropriately adjust financing sources in accordance with the
17 increased appropriation.

18 Sec. 1694. The department of community health shall distribute
19 \$695,000.00 to children's hospitals that have a high indigent care
20 volume. The amount to be distributed to any given hospital shall
21 be based on a formula determined by the department of community
22 health.

23 Sec. 1695. The county indigent care and third party share
24 plans appropriation in part 1 may be increased if the
25 department submits a medical services state plan amendment
26 pertaining to this line item at a level higher than the
27 appropriation. The department is authorized to appropriately

1 adjust financing sources in accordance with the increased
2 appropriation.

3 Sec. 1697. (1) As may be allowed by federal law or regulation,
4 the department may use funds provided by a local or intermediate
5 school district, which have been obtained from a qualifying health
6 system, as the state match required for receiving federal Medicaid
7 or children health insurance program funds. Any such funds
8 received shall be used only to support new school-based or school-
9 linked health services.

10 (2) A qualifying health system is defined as any health care
11 entity licensed to provide health care services in the state of
12 Michigan, that has entered into a contractual relationship with a
13 local or intermediate school district to provide or manage school-
14 based or school-linked health services.

15 Sec. 1699. The department may make separate payments directly
16 to qualifying hospitals serving a disproportionate share of
17 indigent patients in the amount of \$50,000,000.00, and to hospitals
18 providing graduate medical education training programs. If direct
19 payment for GME and DSH is made to qualifying hospitals for
20 services to Medicaid clients, hospitals will not include GME costs
21 or DSH payments in their contracts with HMOs.

22 Sec. 1711. (1) The department shall maintain the 2-tier
23 reimbursement methodology for Medicaid emergency physicians
24 professional services that was in effect on September 30, 2002,
25 subject to the following conditions:

26 (a) Payments by case and in the aggregate shall not exceed 70%
27 of Medicare payment rates.

1 (b) Total expenditures for these services shall not exceed the
2 level of total payments made during fiscal year 2001-2002, after
3 adjusting for Medicare copayments and deductibles and for changes
4 in utilization.

5 (2) To ensure that total expenditures stay within the spending
6 constraints of subsection (1)(b), the department shall develop a
7 utilization adjustor for the basic 2-tier payment methodology. The
8 adjustor shall be based on a good faith estimate by the department
9 as to what the expected utilization of emergency room services will
10 be during fiscal year 2006-2007, given changes in the number and
11 category of Medicaid recipients. If expenditure and utilization
12 data indicate that the amount and/or type of emergency physician
13 professional services are exceeding the department's estimate, the
14 utilization adjustor shall be applied to the 2-tier reimbursement
15 methodology in such a manner as to reduce aggregate expenditures to
16 the fiscal year 2001-2002 adjusted expenditure target.

17 Sec. 1718. The department shall provide each Medicaid adult
18 home help beneficiary or applicant with the right to a fair hearing
19 when the department or its agent reduces, suspends, terminates, or
20 denies adult home help services. If the department takes action to
21 reduce, suspend, terminate, or deny adult home help services, it
22 shall provide the beneficiary or applicant with a written notice
23 that states what action the department proposes to take, the
24 reasons for the intended action, the specific regulations that
25 support the action, and an explanation of the beneficiary's or
26 applicant's right to an evidentiary hearing and the circumstances
27 under which those services will be continued if a hearing is

1 requested.

2 Sec. 1720. The department shall continue its Medicare recovery
3 program.

4 Sec. 1722. (1) From the funds appropriated in part 1 for
5 special adjustor and special DSH payments, the department is
6 authorized to make a disproportionate share payment of
7 \$33,167,700.00 for health services provided by Hutzel Hospital,
8 \$17,903,200.00 for health services previously funded through the
9 higher education appropriations act, and \$2,310,000.00 for the
10 Michigan State University institute for health care studies.

11 (2) The funding authorized under subsection (1) shall only be
12 expended if the necessary Medicaid matching funds are provided by,
13 or on behalf of, the hospital as allowable state match.

14 Sec. 1724. The department shall allow licensed pharmacies to
15 purchase injectable drugs for the treatment of respiratory
16 syncytial virus for shipment to physicians' offices to be
17 administered to specific patients. If the affected patients are
18 Medicaid eligible, the department shall reimburse pharmacies for
19 the dispensing of the injectable drugs and reimburse physicians for
20 the administration of the injectable drugs.

21 Sec. 1725. The department shall continue to work with the
22 department of human services to reduce Medicaid eligibility errors
23 related to basic eligibility requirements and income requirements.

24 Sec. 1731. (1) Subject to subsection (2), the department shall
25 establish an asset test to determine Medicaid eligibility for
26 individuals who are parents, caretaker relatives, or individuals
27 between the ages of 18 and 21 and who are not required to be

1 covered under federal Medicaid requirements.

2 (2) Regardless of the results of the asset test established
3 under subsection (1), an individual who is between the ages of 18
4 and 21 and is not required to be covered under the federal Medicaid
5 requirements is not eligible for the state Medicaid program if his
6 or her parent, parents, or legal guardian has health care coverage
7 for him or her or has access to health care coverage for him or
8 her.