

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1094

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, 2009; 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:

1  
2  
3  
4  
5

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2009,

from the funds indicated in this part. The following is a summary  
of the appropriations in this part:

**DEPARTMENT OF COMMUNITY HEALTH**

APPROPRIATION SUMMARY:

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

Full-time equated classified positions..... 4,596.7

Average population ..... 970.4

GROSS APPROPRIATION..... \$ 12,438,712,300

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 40,883,900

ADJUSTED GROSS APPROPRIATION..... \$ 12,397,828,400

Federal revenues:

Total federal revenues..... 7,146,514,600

Special revenue funds:

Total local revenues..... 241,578,600

Total private revenues..... 66,686,800

Merit award trust fund..... 98,700,000

Total other state restricted revenues..... 1,742,591,200

State general fund/general purpose..... \$ 3,101,757,200

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

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

Full-time equated classified positions..... 206.2

Director and other unclassified--6.0 FTE positions... \$ 598,600

Departmental administration and management--171.2 FTE

positions ..... 21,908,000

Internal audit consolidation..... 759,000

1	Office of long-term care supports and services--25.0	
2	FTE positions .....	3,882,000
3	Worker's compensation program.....	8,911,000
4	Rent and building occupancy.....	10,535,000
5	Developmental disabilities council and projects--10.0	
6	FTE positions .....	<u>2,774,500</u>
7	GROSS APPROPRIATION.....	\$ 49,368,100
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenues.....	15,418,800
11	Special revenue funds:	
12	Total private revenues.....	76,000
13	Total other state restricted revenues.....	3,242,700
14	State general fund/general purpose.....	\$ 30,630,600
15	<b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES</b>	
16	<b>ADMINISTRATION AND SPECIAL PROJECTS</b>	
17	Full-time equated classified positions..... 109.0	
18	Mental health/substance abuse program administration--	
19	108.0 FTE positions .....	\$ 13,276,500
20	Consumer involvement program.....	189,100
21	Gambling addiction--1.0 FTE position.....	3,000,000
22	Protection and advocacy services support.....	777,400
23	Mental health initiatives for older persons.....	1,291,200
24	Community residential and support services.....	2,514,600
25	Highway safety projects.....	400,000
26	Federal and other special projects.....	3,547,200
27	Family support subsidy.....	18,599,200

1	Housing and support services .....	<u>9,306,800</u>
2	GROSS APPROPRIATION .....	\$ 52,902,000
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues .....	35,041,800
6	Special revenue funds:	
7	Total private revenues .....	190,000
8	Total other state restricted revenues .....	3,000,000
9	State general fund/general purpose .....	\$ 14,670,200
10	<b>Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE</b>	
11	<b>SERVICES PROGRAMS</b>	
12	Full-time equated classified positions .....	9.5
13	Medicaid mental health services .....	\$ 1,781,688,900
14	Community mental health non-Medicaid services .....	315,066,700
15	Medicaid adult benefits waiver .....	40,000,000
16	Multicultural services .....	5,763,800
17	Medicaid substance abuse services .....	36,261,000
18	Respite services .....	1,000,000
19	CMHSP, purchase of state services contracts .....	134,605,300
20	Civil service charges .....	1,499,300
21	Federal mental health block grant--2.5 FTE positions .	15,368,300
22	State disability assistance program substance abuse	
23	services .....	3,959,800
24	Community substance abuse prevention, education, and	
25	treatment programs .....	87,418,000
26	Children's waiver home care program .....	19,549,800
27	Nursing home PAS/ARR-OBRA--7.0 FTE positions .....	12,150,400

1	Mental health court pilot programs .....	1,434,100
2	Children with serious emotional disturbance waiver ...	<u>570,000</u>
3	GROSS APPROPRIATION .....	\$ 2,456,335,400
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues .....	1,227,471,600
7	Special revenue funds:	
8	Total local revenues .....	25,228,900
9	Total other state restricted revenues .....	101,322,700
10	State general fund/general purpose .....	\$ 1,102,312,200
11	<b>Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR</b>	
12	<b>PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC</b>	
13	<b>AND PRISON MENTAL HEALTH SERVICES</b>	
14	Total average population .....	970.4
15	Full-time equated classified positions .....	2,818.7
16	Caro regional mental health center - psychiatric	
17	hospital - adult--404.0 FTE positions .....	\$ 44,236,200
18	Average population .....	158.0
19	Kalamazoo psychiatric hospital - adult--431.5 FTE	
20	positions .....	42,646,000
21	Average population .....	167.6
22	Walter P. Reuther psychiatric hospital - adult--444.2	
23	FTE positions .....	45,533,500
24	Average population .....	238.8
25	Hawthorn center - psychiatric hospital - children and	
26	adolescents--250.8 FTE positions .....	22,749,700
27	Average population .....	78.6

1	Mount Pleasant center - developmental disabilities--	
2	393.3 FTE positions .....	43,198,700
3	Average population .....	117.4
4	Center for forensic psychiatry--578.6 FTE positions ..	60,482,600
5	Average population .....	210.0
6	Forensic mental health services provided to the	
7	department of corrections--316.3 FTE positions.....	39,344,800
8	Revenue recapture.....	750,000
9	IDEA, federal special education.....	120,000
10	Special maintenance and equipment.....	335,300
11	Purchase of medical services for residents of	
12	hospitals and centers .....	1,045,600
13	Closed site, transition, and related costs.....	100
14	Severance pay.....	216,900
15	Gifts and bequests for patient living and treatment	
16	environment .....	<u>1,000,000</u>
17	GROSS APPROPRIATION.....	\$ 301,659,400
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	Interdepartmental grant from the department of	
21	corrections .....	39,344,800
22	Federal revenues:	
23	Total federal revenues.....	38,400,900
24	Special revenue funds:	
25	CMHSP, purchase of state services contracts.....	134,605,300
26	Other local revenues.....	16,811,700
27	Total private revenues.....	1,000,000

1	Total other state restricted revenues .....	14,736,500
2	State general fund/general purpose .....	\$ 56,760,200
3	<b>Sec. 106. PUBLIC HEALTH ADMINISTRATION</b>	
4	Full-time equated classified positions.....	99.7
5	Public health administration--8.3 FTE positions .....	\$ 2,212,300
6	Minority health grants and contracts--3.0 FTE	
7	positions .....	1,493,200
8	Promotion of healthy behaviors .....	1,700,000
9	Vital records and health statistics--88.4 FTE	
10	positions .....	<u>11,199,800</u>
11	GROSS APPROPRIATION .....	\$ 16,605,300
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	Interdepartmental grant from the department of human	
15	services .....	981,600
16	Federal revenues:	
17	Total federal revenues .....	6,018,400
18	Special revenue funds:	
19	Total private revenues .....	2,000,000
20	Total other state restricted revenues .....	6,001,100
21	State general fund/general purpose .....	\$ 1,604,200
22	<b>Sec. 107. HEALTH POLICY, REGULATION, AND</b>	
23	<b>PROFESSIONS</b>	
24	Full-time equated classified positions.....	403.6
25	Health systems administration--193.6 FTE positions ...	\$ 22,959,800
26	Emergency medical services program state staff--8.5	
27	FTE positions .....	1,476,200

1	Radiological health administration--21.4 FTE positions	2,747,100
2	Emergency medical services grants and services .....	660,000
3	Health professions--130.0 FTE positions .....	23,607,700
4	Background check program--5.5 FTE positions .....	3,956,400
5	Health policy, regulation, and professions	
6	administration--25.2 FTE positions .....	2,949,000
7	Nurse scholarship, education, and research program--	
8	3.0 FTE positions .....	991,000
9	Certificate of need program administration--14.0 FTE	
10	positions .....	1,775,100
11	Rural health services--1.0 FTE position .....	1,404,500
12	Michigan essential health provider .....	1,952,100
13	Primary care services--1.4 FTE positions .....	<u>4,216,700</u>
14	GROSS APPROPRIATION .....	\$ 68,695,600
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	Interdepartmental grant from the department of	
18	treasury, Michigan state hospital finance authority.	116,300
19	Federal revenues:	
20	Total federal revenues .....	26,015,300
21	Special revenue funds:	
22	Total local revenues .....	227,700
23	Total private revenues .....	455,000
24	Total other state restricted revenues .....	33,262,900
25	State general fund/general purpose .....	\$ 8,618,400
26	<b>Sec. 108. INFECTIOUS DISEASE CONTROL</b>	
27	Full-time equated classified positions..... 51.7	



1	AIDS prevention, testing, and care programs--12.7 FTE		
2	positions .....	\$	38,468,200
3	Immunization local agreements.....		13,990,300
4	Immunization program management and field support--		
5	15.0 FTE positions .....		2,008,200
6	Pediatric AIDS prevention and control--1.0 FTE		
7	position .....		1,225,200
8	Sexually transmitted disease control local agreements		4,093,700
9	Sexually transmitted disease control management and		
10	field support--23.0 FTE positions.....		<u>3,953,200</u>
11	GROSS APPROPRIATION.....	\$	63,738,800
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues.....		42,077,900
15	Special revenue funds:		
16	Total private revenues.....		7,997,900
17	Total other state restricted revenues.....		7,834,200
18	State general fund/general purpose.....	\$	5,828,800
19	<b>Sec. 109. LABORATORY SERVICES</b>		
20	Full-time equated classified positions..... 123.0		
21	Bovine tuberculosis--1.0 FTE position.....	\$	250,400
22	Laboratory services--122.0 FTE positions.....		<u>19,212,000</u>
23	GROSS APPROPRIATION.....	\$	19,462,400
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	Interdepartmental grant from the department of		
27	environmental quality .....		441,200

1	Federal revenues:	
2	Total federal revenues.....	2,799,400
3	Special revenue funds:	
4	Total other state restricted revenues.....	8,343,200
5	State general fund/general purpose.....	\$ 7,878,600
6	<b>Sec. 110. EPIDEMIOLOGY</b>	
7	Full-time equated classified positions.....	129.4
8	AIDS surveillance and prevention program.....	\$ 2,254,100
9	Asthma prevention and control--2.6 FTE positions.....	1,065,100
10	Bioterrorism preparedness--68.6 FTE positions.....	50,369,300
11	Epidemiology administration--41.7 FTE positions.....	7,111,000
12	Lead abatement program--7.0 FTE positions.....	2,177,800
13	Methamphetamine cleanup fund.....	100,000
14	Newborn screening follow-up and treatment services--	
15	9.5 FTE positions .....	4,534,500
16	Tuberculosis control and prevention.....	<u>867,000</u>
17	GROSS APPROPRIATION.....	\$ 68,478,800
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	59,411,300
21	Special revenue funds:	
22	Total local revenues.....	500,000
23	Total private revenues.....	25,000
24	Total other state restricted revenues.....	4,996,900
25	State general fund/general purpose.....	\$ 3,545,600
26	<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
27	Implementation of 1993 PA 133, MCL 333.17015 .....	\$ 50,000

1	Local health services.....	220,000
2	Local public health operations.....	42,618,400
3	Medicaid outreach cost reimbursement to local health	
4	departments .....	<u>9,000,000</u>
5	GROSS APPROPRIATION.....	\$ 51,888,400
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	9,000,000
9	Special revenue funds:	
10	Total local revenues.....	5,150,000
11	Total other state restricted revenues.....	220,000
12	State general fund/general purpose.....	\$ 37,518,400
13	<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND</b>	
14	<b>HEALTH PROMOTION</b>	
15	Full-time equated classified positions..... 70.3	
16	African-American male health initiative.....	\$ 106,700
17	AIDS and risk reduction clearinghouse and media	
18	campaign .....	1,351,000
19	Alzheimer's information network.....	389,500
20	Cancer prevention and control program--12.0 FTE	
21	positions .....	15,188,500
22	Chronic disease prevention--22.7 FTE positions .....	5,683,200
23	Diabetes and kidney program--12.2 FTE positions .....	4,002,200
24	Health education, promotion, and research programs--	
25	6.5 FTE positions .....	812,500
26	Injury control intervention project.....	104,500
27	Michigan Parkinson's foundation.....	50,000

1	Morris Hood Wayne State University diabetes outreach .	400,000
2	Physical fitness, nutrition, and health .....	700,100
3	Public health traffic safety coordination--1.0 FTE	
4	position .....	356,400
5	Smoking prevention program--14.0 FTE positions .....	5,724,500
6	Tobacco tax collection and enforcement .....	610,000
7	Violence prevention--1.9 FTE positions .....	<u>1,889,800</u>
8	GROSS APPROPRIATION .....	\$ 37,368,900
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues .....	21,309,500
12	Special revenue funds:	
13	Total private revenues .....	146,600
14	Total other state restricted revenues .....	14,758,500
15	State general fund/general purpose .....	\$ 1,154,300
16	<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH</b>	
17	<b>SERVICES</b>	
18	Full-time equated classified positions..... 52.3	
19	Adolescent and child health care centers .....	\$ 100
20	Childhood lead program--6.0 FTE positions .....	2,557,500
21	Dental programs .....	485,400
22	Dental program for persons with developmental	
23	disabilities .....	151,000
24	Early childhood collaborative secondary prevention ...	524,000
25	Family, maternal, and children's health services	
26	administration--40.6 FTE positions .....	5,184,900
27	Family planning local agreements .....	9,793,800

1	Local MCH services.....	7,264,200
2	Migrant health care.....	272,200
3	Pregnancy prevention program.....	5,235,400
4	Prenatal care outreach and service delivery support ..	3,049,300
5	School health and education programs.....	500,000
6	Special projects--5.7 FTE positions.....	4,042,300
7	Sudden infant death syndrome program.....	<u>321,300</u>
8	GROSS APPROPRIATION.....	\$ 39,381,400
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	25,976,600
12	Special revenue funds:	
13	Total local revenues.....	75,000
14	Total other state restricted revenues.....	8,037,500
15	State general fund/general purpose.....	\$ 5,292,300
16	<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND</b>	
17	<b>NUTRITION PROGRAM</b>	
18	Full-time equated classified positions..... 43.0	
19	Women, infants, and children program administration	
20	and special projects--43.0 FTE positions.....	\$ 8,955,100
21	Women, infants, and children program local agreements	
22	and food costs .....	<u>201,845,500</u>
23	GROSS APPROPRIATION.....	\$ 210,800,600
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	157,556,300
27	Special revenue funds:	

1	Total private revenues.....	53,244,300
2	State general fund/general purpose.....	\$ 0
3	<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
4	Full-time equated classified positions.....	47.8
5	Children's special health care services	
6	administration--47.8 FTE positions.....	\$ 4,540,100
7	Amputee program.....	184,600
8	Bequests for care and services.....	1,514,600
9	Outreach and advocacy.....	3,773,500
10	Nonemergency medical transportation.....	1,492,200
11	Medical care and treatment.....	<u>193,754,200</u>
12	GROSS APPROPRIATION.....	\$ 205,259,200
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	102,085,400
16	Special revenue funds:	
17	Total private revenues.....	1,000,000
18	Total other state restricted revenues.....	2,295,300
19	State general fund/general purpose.....	\$ 99,878,500
20	<b>Sec. 116. OFFICE OF DRUG CONTROL POLICY</b>	
21	Full-time equated classified positions.....	15.0
22	Drug control policy--15.0 FTE positions.....	\$ 1,754,300
23	Anti-drug abuse grants.....	8,575,000
24	Interdepartmental grant to judiciary for drug	
25	treatment courts .....	<u>1,800,000</u>
26	GROSS APPROPRIATION.....	\$ 12,129,300
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	11,747,000
3	State general fund/general purpose.....	\$ 382,300
4	<b>Sec. 117. CRIME VICTIM SERVICES COMMISSION</b>	
5	Full-time equated classified positions.....	10.0
6	Grants administration services--10.0 FTE positions ...	\$ 1,395,000
7	Justice assistance grants.....	13,000,000
8	Crime victim rights services grants.....	11,000,000
9	Crime victim's rights fund revenue to Michigan state	
10	police .....	1,030,400
11	Crime victim's rights fund revenue to department of	
12	human services .....	<u>1,300,000</u>
13	GROSS APPROPRIATION.....	\$ 27,725,400
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	15,050,500
17	Special revenue funds:	
18	Total other state restricted revenues.....	12,674,900
19	State general fund/general purpose.....	\$ 0
20	<b>Sec. 118. OFFICE OF SERVICES TO THE AGING</b>	
21	Full-time equated classified positions.....	36.5
22	Commission (per diem \$50.00) .....	\$ 10,500
23	Office of services to aging administration--36.5 FTE	
24	positions .....	5,366,400
25	Community services.....	35,504,200
26	Nutrition services.....	37,922,500
27	Foster grandparent volunteer program.....	2,813,500

1	Retired and senior volunteer program.....	790,200
2	Senior companion volunteer program.....	2,021,200
3	Employment assistance.....	3,213,300
4	Respite care program.....	<u>6,800,000</u>
5	GROSS APPROPRIATION.....	\$ 94,441,800
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	53,414,800
9	Special revenue funds:	
10	Total private revenues.....	152,000
11	Merit award trust fund.....	5,000,000
12	Total other state restricted revenues.....	1,967,000
13	State general fund/general purpose.....	\$ 33,908,000
14	<b>Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN</b>	
15	Michigan first healthcare plan.....	\$ <u>100,000,000</u>
16	GROSS APPROPRIATION.....	\$ 100,000,000
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues.....	100,000,000
20	State general fund/general purpose.....	\$ 0
21	<b>Sec. 120. MEDICAL SERVICES ADMINISTRATION</b>	
22	Full-time equated classified positions..... 371.0	
23	Medical services administration--371.0 FTE positions .	\$ 61,706,300
24	Facility inspection contract.....	132,800
25	MICHild administration.....	4,327,800
26	Health information technology initiatives.....	<u>5,000,000</u>
27	GROSS APPROPRIATION.....	\$ 71,166,900



1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues.....	46,020,200
4	Special revenue funds:	
5	Total local revenues.....	5,000
6	Total other state restricted revenues.....	95,000
7	State general fund/general purpose.....	\$ 25,046,700
8	<b>Sec. 121. MEDICAL SERVICES</b>	
9	Hospital services and therapy.....	\$ 1,380,608,800
10	Hospital disproportionate share payments.....	50,000,000
11	Physician services.....	297,878,900
12	Medicare premium payments.....	341,121,700
13	Pharmaceutical services.....	260,109,000
14	Home health services.....	5,758,200
15	Hospice services.....	99,398,100
16	Transportation.....	10,169,300
17	Auxiliary medical services.....	9,668,600
18	Dental services.....	124,140,900
19	Ambulance services.....	12,440,500
20	Long-term care services.....	1,492,804,300
21	Medicaid home- and community-based services waiver...	167,811,500
22	Adult home help services.....	261,558,000
23	Personal care services.....	19,247,500
24	Program of all-inclusive care for the elderly.....	16,600,000
25	Single point of entry.....	14,724,200
26	Health plan services.....	3,084,105,500
27	MIChild program.....	32,535,400

1	Plan first family planning waiver.....	5,785,500
2	Medicaid adult benefits waiver.....	134,837,900
3	County indigent care and third share plans.....	88,518,600
4	Federal Medicare pharmaceutical program.....	178,055,800
5	Promotion of healthy behavior waiver.....	10,000,000
6	Maternal and child health.....	20,279,500
7	Social services to the physically disabled.....	1,344,900
8	Subtotal basic medical services program.....	8,119,502,600
9	School-based services.....	89,201,000
10	Special Medicaid reimbursement.....	230,206,200
11	Subtotal special medical services payments.....	<u>319,407,200</u>
12	GROSS APPROPRIATION.....	\$ 8,438,909,800
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	5,114,900,500
16	Special revenue funds:	
17	Total local revenues.....	58,975,000
18	Total private revenues.....	400,000
19	Merit award trust fund.....	93,700,000
20	Total other state restricted revenues.....	1,516,200,700
21	State general fund/general purpose.....	\$ 1,654,733,600
22	<b>Sec. 122. INFORMATION TECHNOLOGY</b>	
23	Information technology services and projects.....	\$ 35,593,700
24	Michigan Medicaid information system.....	<u>16,801,100</u>
25	GROSS APPROPRIATION.....	\$ 52,394,800
26	Appropriated from:	
27	Federal revenues:	

1	Total federal revenues .....	36,798,400
2	Special revenue funds:	
3	Total other state restricted revenues .....	3,602,100
4	State general fund/general purpose .....	\$ 11,994,300

5 PART 2

6 PROVISIONS CONCERNING APPROPRIATIONS

7 GENERAL SECTIONS

8 Sec. 201. Pursuant to section 30 of article IX of the state  
 9 constitution of 1963, total state spending from state resources  
 10 under part 1 for fiscal year 2008-2009 is \$4,943,048,400.00 and  
 11 state spending from state resources to be paid to local units of  
 12 government for fiscal year 2008-2009 is \$1,289,664,800.00. The  
 13 itemized statement below identifies appropriations from which  
 14 spending to local units of government will occur:

15 DEPARTMENT OF COMMUNITY HEALTH

16 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

17 AND SPECIAL PROJECTS

18	Community residential and support services .....	\$ 387,300
19	Housing and support services .....	695,500
20	Mental health initiatives for older persons .....	1,049,200
21	COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS	
22	State disability assistance program substance	
23	abuse services .....	\$ 3,959,800
24	Community substance abuse prevention, education, and	
25	treatment programs .....	21,640,500

1	Medicaid mental health services.....		682,636,000
2	Community mental health non-Medicaid services.....		315,066,700
3	Medicaid adult benefits waiver.....		11,124,000
4	Multicultural services.....		5,763,800
5	Medicaid substance abuse services.....		14,406,500
6	Respite services.....		1,000,000
7	Children's waiver home care program.....		5,437,000
8	Nursing home PASARR.....		2,731,800
9	Mental health court pilot programs.....		1,434,100
10	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
11	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
12	MENTAL HEALTH SERVICES		
13	Center for forensic psychiatry.....	\$	290,300
14	PUBLIC HEALTH ADMINISTRATION		
15	Minority health grants and contracts.....	\$	100,000
16	Public health administration.....		12,000
17	HEALTH POLICY, REGULATION AND PROFESSIONS		
18	Primary care services.....	\$	88,900
19	INFECTIOUS DISEASE CONTROL		
20	AIDS prevention, testing and care programs.....	\$	824,400
21	Immunization local agreements.....		2,125,700
22	Sexually transmitted disease control local agreements		421,800
23	EPIDEMIOLOGY		
24	Methamphetamine cleanup fund.....	\$	100,000
25	LOCAL HEALTH ADMINISTRATION AND GRANTS		
26	Implementation of 1993 PA 133.....	\$	5,300
27	Local public health operations.....		37,468,400

1	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
2	Cancer prevention and control program.....	\$	350,300
3	Diabetes and kidney program.....		313,100
4	Smoking prevention program.....		906,200
5	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
6	Childhood lead program.....	\$	240,300
7	Dental programs.....		25,000
8	Family planning local agreements.....		111,300
9	Local MCH services.....		184,600
10	Pregnancy prevention program.....		1,772,400
11	Prenatal care outreach and service delivery support ..		697,800
12	School health and education programs.....		300,000
13	Special projects.....		657,500
14	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
15	Medical care and treatment.....	\$	618,000
16	Outreach and advocacy.....		1,283,200
17	MEDICAL SERVICES		
18	Dental services.....	\$	2,035,500
19	Long-term care services.....		109,353,700
20	Transportation.....		2,799,600
21	Medicaid adult benefits waiver.....		9,664,700
22	Hospital services and therapy.....		6,278,600
23	Physician services.....		5,556,100
24	OFFICE OF SERVICES TO THE AGING		
25	Community services.....	\$	14,425,000
26	Nutrition services.....		11,405,600
27	Foster grandparent volunteer program.....		496,700

1	Retired and senior volunteer program.....	188,000
2	Senior companion volunteer program.....	96,600
3	Respite care program.....	4,336,000
4	CRIME VICTIM SERVICES COMMISSION	
5	Crime victim rights services grants.....	\$ <u>6,800,000</u>
6	TOTAL OF PAYMENTS TO LOCAL UNITS	
7	OF GOVERNMENT.....	\$ 1,289,664,800

8       Sec. 202. (1) The appropriations authorized under this act are  
9 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
10 to 18.1594.

11       (2) Funds for which the state is acting as the custodian or  
12 agent are not subject to annual appropriation.

13       Sec. 203. As used in this act:

14       (a) "AIDS" means acquired immunodeficiency syndrome.

15       (b) "CMHSP" means a community mental health services program  
16 as that term is defined in section 100a of the mental health code,  
17 1974 PA 258, MCL 330.1100a.

18       (c) "Department" means the Michigan department of community  
19 health.

20       (d) "Director" means the director of the department.

21       (e) "DSH" means disproportionate share hospital.

22       (f) "EPSDT" means early and periodic screening, diagnosis, and  
23 treatment.

24       (g) "Federal poverty level" means the poverty guidelines  
25 published annually in the federal register by the United States  
26 department of health and human services under its authority to  
27 revise the poverty line under 42 USC 9902.

1 (h) "FTE" means full-time equated.

2 (i) "GME" means graduate medical education.

3 (j) "Health plan" means, at a minimum, an organization that  
4 meets the criteria for delivering the comprehensive package of  
5 services under the department's comprehensive health plan.

6 (k) "HIV/AIDS" means human immunodeficiency virus/acquired  
7 immune deficiency syndrome.

8 (l) "HMO" means health maintenance organization.

9 (m) "IDEA" means the individuals with disabilities education  
10 act, 20 USC 1400 to 1482.

11 (n) "IDG" means interdepartmental grant.

12 (o) "MCH" means maternal and child health.

13 (p) "MIChild" means the program described in section 1670.

14 (q) "MSS/ISS" means maternal and infant support services.

15 (r) "PASARR" means the preadmission screening and annual  
16 resident review required under the omnibus budget reconciliation  
17 act of 1987, section 1919(e)(7) of the social security act, 42 USC  
18 1396r.

19 (s) "PIHP" means a specialty prepaid inpatient health plan for  
20 Medicaid mental health services, services to persons with  
21 developmental disabilities, and substance abuse services as  
22 described in section 232b of the mental health code, 1974 PA 258,  
23 MCL 330.1232b.

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

26 (u) "Title XIX" means title XIX of the social security act, 42  
27 USC 1396 to 1396v.

1           (v) "Title XX" means title XX of the social security act, 42  
2   USC 1397 to 1397f.

3           (w) "WIC" means women, infants, and children supplemental  
4   nutrition program.

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

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

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



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

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

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

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

25       Sec. 208. The department shall use the Internet to fulfill the  
26 reporting requirements of this act. This requirement may include  
27 transmission of reports via electronic mail to the recipients

1 identified for each reporting requirement or it may include  
2 placement of reports on the Internet or Intranet site.

3       Sec. 209. Funds appropriated in part 1 shall not be used for  
4 the purchase of foreign goods or services, or both, if  
5 competitively priced and of comparable quality American goods or  
6 services, or both, are available. Preference should be given to  
7 goods or services, or both, manufactured or provided by Michigan  
8 businesses, if they are competitively priced and of comparable  
9 quality. In addition, preference should be given to goods or  
10 services, or both, that are manufactured or provided by Michigan  
11 businesses owned and operated by veterans, if they are  
12 competitively priced and of comparable quality.

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

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

25       (2) The department shall provide a report to the senate and  
26 house appropriations subcommittees on community health and the  
27 senate and house fiscal agencies on the balance of each of the

1 restricted funds administered by the department as of September 30  
2 of the current fiscal year.

3 Sec. 212. (1) From the amounts appropriated in part 1, no  
4 greater than the following amounts are supported with federal  
5 maternal and child health block grant, preventive health and health  
6 services block grant, substance abuse block grant, healthy Michigan  
7 fund, and Michigan health initiative funds:

8	(a) Maternal and child health block grant .....	\$ 19,928,100
9	(b) Preventive health and health services	
10	block grant .....	3,589,800
11	(c) Substance abuse block grant .....	60,627,400
12	(d) Healthy Michigan fund .....	41,827,600
13	(e) Michigan health initiative .....	9,100,000

14 (2) On or before February 1 of the current fiscal year, the  
15 department shall report to the house of representatives and senate  
16 appropriations subcommittees on community health, the house and  
17 senate fiscal agencies, and the state budget director on the  
18 detailed name and amounts of federal, restricted, private, and  
19 local sources of revenue that support the appropriations in each of  
20 the line items in part 1 of this act.

21 (3) Upon the release of the fiscal year 2009-2010 executive  
22 budget recommendation, the department shall report to the same  
23 parties in subsection (2) on the amounts and detailed sources of  
24 federal, restricted, private, and local revenue proposed to support  
25 the total funds appropriated in each of the line items in part 1 of  
26 the fiscal year 2009-2010 executive budget proposal.

27 (4) The department shall provide to the same parties in

1 subsection (2) all revenue source detail for consolidated revenue  
2 line item detail upon request to the department.

3       Sec. 213. The state departments, agencies, and commissions  
4 receiving tobacco tax funds and healthy Michigan funds from part 1  
5 shall report by April 1 of the current fiscal year to the senate  
6 and house of representatives appropriations committees, the senate  
7 and house fiscal agencies, and the state budget director on the  
8 following:

9       (a) Detailed spending plan by appropriation line item  
10 including description of programs and a summary of organizations  
11 receiving these funds.

12       (b) Description of allocations or bid processes including need  
13 or demand indicators used to determine allocations.

14       (c) Eligibility criteria for program participation and maximum  
15 benefit levels where applicable.

16       (d) Outcome measures used to evaluate programs, including  
17 measures of the effectiveness of these programs in improving the  
18 health of Michigan residents.

19       (e) Any other information considered necessary by the house of  
20 representatives or senate appropriations committees or the state  
21 budget director.

22       Sec. 216. (1) In addition to funds appropriated in part 1 for  
23 all programs and services, there is appropriated for write-offs of  
24 accounts receivable, deferrals, and for prior year obligations in  
25 excess of applicable prior year appropriations, an amount equal to  
26 total write-offs and prior year obligations, but not to exceed  
27 amounts available in prior year revenues.

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

6           (3) The department shall report by March 15 of the current  
7     fiscal year to the house of representatives and senate  
8     appropriations subcommittees on community health on all  
9     reimbursements, refunds, adjustments, and settlements from prior  
10    years.

11          Sec. 218. The department shall include the following in its  
12     annual list of proposed basic health services as required in part  
13     23 of the public health code, 1978 PA 368, MCL 333.2301 to  
14     333.2321:

15           (a) Immunizations.

16           (b) Communicable disease control.

17           (c) Sexually transmitted disease control.

18           (d) Tuberculosis control.

19           (e) Prevention of gonorrhea eye infection in newborns.

20           (f) Screening newborns for the conditions listed in section  
21     5431 of the public health code, 1978 PA 368, MCL 333.5431, or  
22     recommended by the newborn screening quality assurance advisory  
23     committee created under section 5430 of the public health code,  
24     1978 PA 368, MCL 333.5430.

25           (g) Community health annex of the Michigan emergency  
26     management plan.

27           (h) Prenatal care.

1       Sec. 219. (1) The department may contract with the Michigan  
2 public health institute for the design and implementation of  
3 projects and for other public health related activities prescribed  
4 in section 2611 of the public health code, 1978 PA 368, MCL  
5 333.2611. The department may develop a master agreement with the  
6 institute to carry out these purposes for up to a 3-year period.  
7 The department shall report to the house of representatives and  
8 senate appropriations subcommittees on community health, the house  
9 and senate fiscal agencies, and the state budget director on or  
10 before November 1 and May 1 of the current fiscal year all of the  
11 following:

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

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

16       (c) The expected project duration.

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

20       (2) On or before September 30 of the current fiscal year, the  
21 department shall provide to the same parties listed in subsection  
22 (1) a copy of all reports, studies, and publications produced by  
23 the Michigan public health institute, its subcontractors, or the  
24 department with the funds appropriated in part 1 and allocated to  
25 the Michigan public health institute.

26       Sec. 220. All contracts with the Michigan public health  
27 institute funded with appropriations in part 1 shall include a

1 requirement that the Michigan public health institute submit to  
2 financial and performance audits by the state auditor general of  
3 projects funded with state appropriations.

4       Sec. 223. The department may establish and collect fees for  
5 publications, videos and related materials, conferences, and  
6 workshops. Collected fees shall be used to offset expenditures to  
7 pay for printing and mailing costs of the publications, videos and  
8 related materials, and costs of the workshops and conferences. The  
9 costs shall not exceed fees collected.

10       Sec. 248. The department shall continue to allow ambulatory  
11 surgery centers in this state to fully participate in the Medicaid  
12 program when hospitals are reimbursed for Medicaid services through  
13 the new Michigan Medicaid information system. Ambulatory surgery  
14 centers that provide services to Medicaid-eligible patients shall  
15 be reimbursed in the same manner as hospitals. The reimbursement  
16 schedule for ambulatory surgery centers that was developed and  
17 implemented in consultation with the industry in fiscal year 2007-  
18 2008 shall continue to be used in fiscal year 2008-2009.

19       Sec. 259. From the funds appropriated in part 1 for  
20 information technology, the department shall pay user fees to the  
21 department of information technology for technology-related  
22 services and projects. Such user fees shall be subject to  
23 provisions of an interagency agreement between the department and  
24 the department of information technology.

25       Sec. 260. Amounts appropriated in part 1 for information  
26 technology may be designated as work projects and carried forward  
27 to support technology projects under the direction of the

1 department of information technology. Funds designated in this  
2 manner are not available for expenditure until approved as work  
3 projects under section 451a of the management and budget act, 1984  
4 PA 431, MCL 18.1451a.

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

14       Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid  
15 state plan amendment, or a similar proposal to the centers for  
16 Medicare and Medicaid services, the department shall notify the  
17 house of representatives and senate appropriations subcommittees on  
18 community health and the house and senate fiscal agencies of the  
19 submission.

20       (2) The department shall provide written or verbal quarterly  
21 reports to the senate and house appropriations subcommittees on  
22 community health and the senate and house fiscal agencies  
23 summarizing the status of any significant discussions with the  
24 centers for Medicare and Medicaid services or the federal  
25 department of health and human services regarding potential or new  
26 Medicaid waiver applications.

27       Sec. 265. The departments and agencies receiving



1 appropriations in part 1 shall receive and retain copies of all  
2 reports funded from appropriations in part 1. Federal and state  
3 guidelines for short-term and long-term retention of records shall  
4 be followed.

5       Sec. 266. (1) Due to the current budgetary problems in this  
6 state, out-of-state travel shall be limited to situations in which  
7 1 or more of the following conditions apply:

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

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

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

16          (d) The travel is necessary to comply with federal  
17 requirements.

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

20          (f) The travel is financed entirely by federal or nonstate  
21 funds.

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

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

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

12           (b) The destination of each travel occurrence.

13           (c) The dates of each travel occurrence.

14           (d) A brief statement of the reason for each travel  
15 occurrence.

16           (e) The transportation and related costs of each travel  
17 occurrence, including the proportion funded with state general  
18 fund/general purpose revenues, the proportion funded with state-  
19 restricted revenues, the proportion funded with federal revenues,  
20 and the proportion funded with other revenues.

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

23           Sec. 267. A department or state agency shall not take  
24 disciplinary action against an employee for communicating with a  
25 member of the legislature or his or her staff.

26           Sec. 269. The amount appropriated in part 1 for medical  
27 services pharmaceutical services includes funds to cover

1 reimbursement of mental health medications under the Medicaid  
2 program. Reimbursement procedures for mental health medications  
3 shall be the same as those that were followed in fiscal year 2005-  
4 2006, and utilization procedures for such medications shall adhere  
5 to section 1625, the department's fiscal year 2006-2007 contract  
6 with Medicaid health plans, and section 109h of the social welfare  
7 act, 1939 PA 280, MCL 400.109h.

8       Sec. 270. Within 30 days after receipt of the notification  
9 from the attorney general's office of a legal action in which  
10 expenses had been recovered pursuant to section 106(4) of the  
11 social welfare act, 1939 PA 280, MCL 400.106, or any other statute  
12 under which the department has the right to recover expenses, the  
13 department shall submit a written report to the house of  
14 representatives and senate appropriations subcommittees on  
15 community health, the house and senate fiscal agencies, and the  
16 state budget office which includes, at a minimum, all of the  
17 following:

18       (a) The total amount recovered from the legal action.

19       (b) The program or service for which the money was originally  
20 expended.

21       (c) Details on the disposition of the funds recovered such as  
22 the appropriation or revenue account in which the money was  
23 deposited.

24       (d) A description of the facts involved in the legal action.

25       Sec. 271. (1) A PIHP, Medicaid HMO, and federally qualified  
26 health center may establish and implement an early mental health  
27 services intervention pilot project. This project shall provide

1 care coordination, disease management, and pharmacy management to  
2 eligible recipients suffering from chronic disease, including, but  
3 not limited to, diabetes, asthma, substance addiction, or stroke.  
4 Participating organizations may make use of data sharing, joint  
5 information technology efforts, and financial incentives to health  
6 providers and recipients in this project. The department shall  
7 encourage that each CMHSP and Medicaid health plan act in a  
8 coordinated manner in the establishment of their respective  
9 electronic medical record systems.

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

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

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

23 Sec. 272. Based on the results of the fiscal year 2008-2009  
24 study on administrative efficiencies, shared services, and  
25 consolidations of local public health departments, CMHSPs,  
26 substance abuse coordinating agencies, and area agencies on aging,  
27 the department shall make recommendations on implementing the

1 results of the study. The department shall submit its  
2 recommendations by November 1 of the current fiscal year to the  
3 house and senate appropriations subcommittees on community health,  
4 the house and senate fiscal agencies, and the state budget  
5 director.

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

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

18       (a) Coordinating agencies on substance abuse, Salvation Army  
19 harbor light program, and their subcontractors that receive payment  
20 or reimbursement from funds appropriated under section 104.

21       (b) Area agencies on aging and local providers, and their  
22 subcontractors that receive payment or reimbursement from funds  
23 appropriated under section 118.

24       (2) By May 15 of the current fiscal year, the department shall  
25 provide a written draft of its proposed definitions, standards, and  
26 instructions to the house of representatives and senate  
27 appropriations subcommittees on community health, the house and

1 senate fiscal agencies, and the state budget director.

2 **DEPARTMENTWIDE ADMINISTRATION**

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

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

11 **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL**  
12 **PROJECTS**

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

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

22 Sec. 401. Funds appropriated in part 1 are intended to support  
23 a system of comprehensive community mental health services under  
24 the full authority and responsibility of local CMHSPs or PIHPs. The

1 department shall ensure that each CMHSP or PIHP provides all of the  
2 following:

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

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

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

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

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

24 (f) A system of continuous quality improvement.

25 (g) A system to monitor and evaluate the mental health  
26 services provided.

27 (h) A system that serves at-risk and delinquent youth as

1 required under the provisions of the mental health code, 1974 PA  
2 258, MCL 330.1001 to 330.2106.

3       Sec. 402. (1) From funds appropriated in part 1, final  
4 authorizations to CMHSPs or PIHPs shall be made upon the execution  
5 of contracts between the department and CMHSPs or PIHPs. The  
6 contracts shall contain an approved plan and budget as well as  
7 policies and procedures governing the obligations and  
8 responsibilities of both parties to the contracts. Each contract  
9 with a CMHSP or PIHP that the department is authorized to enter  
10 into under this subsection shall include a provision that the  
11 contract is not valid unless the total dollar obligation for all of  
12 the contracts between the department and the CMHSPs or PIHPs  
13 entered into under this subsection for fiscal year 2008-2009 does  
14 not exceed the amount of money appropriated in part 1 for the  
15 contracts authorized under this subsection.

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

20       (a) Any new contracts with CMHSPs or PIHPs that would affect  
21 rates or expenditures are enacted.

22       (b) Any amendments to contracts with CMHSPs or PIHPs that  
23 would affect rates or expenditures are enacted.

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

27       Sec. 403. (1) From the funds appropriated in part 1 for



1 multicultural services, the department shall ensure that CMHSPs or  
2 PIHPs meet with multicultural service providers to develop a  
3 workable framework for contracting, service delivery, and  
4 reimbursement.

5 (2) Funds appropriated in part 1 for multicultural services  
6 shall not be utilized for services provided to illegal immigrants.  
7 The department shall modify contracts with recipients of  
8 multicultural services grants to mandate that grantees establish  
9 that recipients of services are legally residing in the United  
10 States. An exception to the contractual provision will be allowed  
11 to address persons presenting with emergent mental health  
12 conditions.

13 (3) Organizations receiving funding from the multicultural  
14 services line directly or from a CMHSP shall file spending plans  
15 with the department by October 1, 2008. The spending plans shall  
16 include specific information on services and programs provided, the  
17 client base to which the services and programs will be provided,  
18 and the anticipated expenditure on these services. The department  
19 shall provide the spending plans to the senate and house  
20 appropriations subcommittees on community health and the senate and  
21 house fiscal agencies.

22 Sec. 404. (1) Not later than May 31 of the current fiscal  
23 year, the department shall provide a report on the community mental  
24 health services programs to the members of the house of  
25 representatives and senate appropriations subcommittees on  
26 community health, the house and senate fiscal agencies, and the  
27 state budget director that includes the information required by

1 this section.

2 (2) The report shall contain information for each CMHSP or  
3 PIHP and a statewide summary, each of which shall include at least  
4 the following information:

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

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

9 (c) Financial information that, minimally, includes a  
10 description of funding authorized; expenditures by client group and  
11 fund source; and cost information by service category, including  
12 administration. Service category includes all department-approved  
13 services.

14 (d) Data describing service outcomes that includes, but is not  
15 limited to, an evaluation of consumer satisfaction, consumer  
16 choice, and quality of life concerns including, but not limited to,  
17 housing and employment.

18 (e) Information about access to community mental health  
19 services programs that includes, but is not limited to, the  
20 following:

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

22 (ii) The number of people who requested services but did not  
23 receive services.

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

26 (g) An analysis of information provided by CMHSPs in response  
27 to the needs assessment requirements of the mental health code,

1 1974 PA 258, MCL 330.1001 to 330.2106, including information about  
2 the number of persons in the service delivery system who have  
3 requested and are clinically appropriate for different services.

4 (h) Lapses and carryforwards during the immediately preceding  
5 fiscal year for CMHSPs or PIHPs.

6 (i) Information about contracts for mental health services  
7 entered into by CMHSPs or PIHPs with providers, including, but not  
8 limited to, all of the following:

9 (i) The amount of the contract, organized by type of service  
10 provided.

11 (ii) Payment rates, organized by the type of service provided.

12 (iii) Administrative costs for services provided to CMHSPs or  
13 PIHPs.

14 (j) Information on the community mental health Medicaid  
15 managed care program, including, but not limited to, both of the  
16 following:

17 (i) Expenditures by each CMHSP or PIHP organized by Medicaid  
18 eligibility group, including per eligible individual expenditure  
19 averages.

20 (ii) Performance indicator information required to be submitted  
21 to the department in the contracts with CMHSPs or PIHPs.

22 (k) An estimate of the number of direct care workers in local  
23 residential settings and paraprofessional and other nonprofessional  
24 direct care workers in settings where skill building, community  
25 living supports and training, and personal care services are  
26 provided by CMHSPs or PIHPs as of September 30, 2008 employed  
27 directly or through contracts with provider organizations.

1           (3) The department shall include data reporting requirements  
2 listed in subsection (2) in the annual contract with each  
3 individual CMHSP or PIHP.

4           (4) The department shall take all reasonable actions to ensure  
5 that the data required are complete and consistent among all CMHSPs  
6 or PIHPs.

7           Sec. 405. (1) It is the intent of the legislature that the  
8 employee wage pass-through funded in previous years to the  
9 community mental health services programs for direct care workers  
10 in local residential settings and for paraprofessional and other  
11 nonprofessional direct care workers in settings where skill  
12 building, community living supports and training, and personal care  
13 services are provided shall continue to be paid to direct care  
14 workers.

15           (2) It is the intent of the legislature that a 2% wage  
16 increase, effective April 1, 2009, be provided to direct care  
17 workers in local residential settings and for paraprofessional and  
18 other nonprofessional direct care workers in settings where skill  
19 building, community living supports and training, and personal care  
20 services are provided.

21           (3) Each CMHSP awarded wage pass-through money from the funds  
22 established under subsections (1) and (2) shall report on the  
23 actual expenditures of the money in the format determined by the  
24 department.

25           Sec. 406. (1) The funds appropriated in part 1 for the state  
26 disability assistance substance abuse services program shall be  
27 used to support per diem room and board payments in substance abuse

1 residential facilities. Eligibility of clients for the state  
2 disability assistance substance abuse services program shall  
3 include needy persons 18 years of age or older, or emancipated  
4 minors, who reside in a substance abuse treatment center.

5 (2) The department shall reimburse all licensed substance  
6 abuse programs eligible to participate in the program at a rate  
7 equivalent to that paid by the department of human services to  
8 adult foster care providers. Programs accredited by department-  
9 approved accrediting organizations shall be reimbursed at the  
10 personal care rate, while all other eligible programs shall be  
11 reimbursed at the domiciliary care rate.

12 (3) Of the funds appropriated in part 1 for the state  
13 disability assistance substance abuse services program,  
14 \$1,450,000.00 shall be distributed based on local needs as  
15 determined by the department, in consultation with coordinating  
16 agencies.

17 Sec. 407. (1) The amount appropriated in part 1 for substance  
18 abuse prevention, education, and treatment grants shall be expended  
19 for contracting with coordinating agencies. Coordinating agencies  
20 shall work with the CMHSPs or PIHPs to coordinate the care and  
21 services provided to individuals with both mental illness and  
22 substance abuse diagnoses.

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

26 Sec. 408. (1) By April 15 of the current fiscal year, the  
27 department shall report the following data from fiscal year 2007-

1 2008 on substance abuse prevention, education, and treatment  
2 programs to the senate and house of representatives appropriations  
3 subcommittees on community health, the senate and house fiscal  
4 agencies, and the state budget office:

5 (a) Expenditures stratified by coordinating agency, by central  
6 diagnosis and referral agency, by fund source, by subcontractor, by  
7 population served, and by service type. Additionally, data on  
8 administrative expenditures by coordinating agency and by  
9 subcontractor shall be reported.

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

12 (c) Number of services provided by central diagnosis and  
13 referral agency, by subcontractor, and by service type.  
14 Additionally, data on length of stay, referral source, and  
15 participation in other state programs.

16 (d) Collections from other first- or third-party payers,  
17 private donations, or other state or local programs, by  
18 coordinating agency, by subcontractor, by population served, and by  
19 service type.

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

23 Sec. 409. The funding in part 1 for substance abuse services  
24 shall be distributed in a manner that provides priority to service  
25 providers that furnish child care services to clients with  
26 children.

27 Sec. 410. The department shall assure that substance abuse

1 treatment is provided to applicants and recipients of public  
2 assistance through the department of human services who are  
3 required to obtain substance abuse treatment as a condition of  
4 eligibility for public assistance.

5       Sec. 411. (1) The department shall ensure that each contract  
6 with a CMHSP or PIHP requires the CMHSP or PIHP to implement  
7 programs to encourage diversion of persons with serious mental  
8 illness, serious emotional disturbance, or developmental disability  
9 from possible jail incarceration when appropriate.

10       (2) Each CMHSP or PIHP shall have jail diversion services and  
11 shall work toward establishing working relationships with  
12 representative staff of local law enforcement agencies, including  
13 county prosecutors' offices, county sheriffs' offices, county  
14 jails, municipal police agencies, municipal detention facilities,  
15 and the courts. Written interagency agreements describing what  
16 services each participating agency is prepared to commit to the  
17 local jail diversion effort and the procedures to be used by local  
18 law enforcement agencies to access mental health jail diversion  
19 services are strongly encouraged.

20       Sec. 412. The department shall contract directly with the  
21 Salvation Army harbor light program to provide non-Medicaid  
22 substance abuse services at not less than the amount contracted for  
23 in fiscal year 2007-2008.

24       Sec. 414. Medicaid substance abuse treatment services shall be  
25 managed by selected PIHPs pursuant to the centers for Medicare and  
26 Medicaid services' approval of Michigan's 1915(b) waiver request to  
27 implement a managed care plan for specialized substance abuse

1 services. The selected PIHPs shall receive a capitated payment on a  
2 per eligible per month basis to assure provision of medically  
3 necessary substance abuse services to all beneficiaries who require  
4 those services. The selected PIHPs shall be responsible for the  
5 reimbursement of claims for specialized substance abuse services.  
6 The PIHPs that are not coordinating agencies may continue to  
7 contract with a coordinating agency. Any alternative arrangement  
8 must be based on client service needs and have prior approval from  
9 the department.

10 Sec. 418. On or before the tenth of each month, the department  
11 shall report to the senate and house of representatives  
12 appropriations subcommittees on community health, the senate and  
13 house fiscal agencies, and the state budget director on the amount  
14 of funding paid to PIHPs to support the Medicaid managed mental  
15 health care program in the preceding month. The information shall  
16 include the total paid to each PIHP, per capita rate paid for each  
17 eligibility group for each PIHP, and number of cases in each  
18 eligibility group for each PIHP, and year-to-date summary of  
19 eligibles and expenditures for the Medicaid managed mental health  
20 care program.

21 Sec. 423. (1) The department shall work cooperatively with the  
22 departments of human services, corrections, education, state  
23 police, and military and veterans affairs to coordinate and improve  
24 the delivery of substance abuse prevention, education, and  
25 treatment programs within existing appropriations.

26 (2) The department shall establish a work group composed of  
27 representatives of the department, the departments of human



1 services, corrections, education, state police, and military and  
2 veterans affairs, coordinating agencies, CMHSPs, and any other  
3 persons considered appropriate to examine and review the source and  
4 expenditure of all public and private funds made available for  
5 substance abuse programs and services. The work group shall develop  
6 and recommend cost-effective measures for the expenditure of funds  
7 and delivery of substance abuse programs and services. The  
8 department shall submit the findings of the work group to the house  
9 of representatives and senate appropriations subcommittees on  
10 community health, the house and senate fiscal agencies, and the  
11 state budget director by May 31 of the current fiscal year.

12 Sec. 424. Each PIHP that contracts with the department to  
13 provide services to the Medicaid population shall adhere to the  
14 following timely claims processing and payment procedure for claims  
15 submitted by health professionals and facilities:

16 (a) A "clean claim" as described in section 111i of the social  
17 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45  
18 days after receipt of the claim by the PIHP. A clean claim that is  
19 not paid within this time frame shall bear simple interest at a  
20 rate of 12% per annum.

21 (b) A PIHP must state in writing to the health professional or  
22 facility any defect in the claim within 30 days after receipt of  
23 the claim.

24 (c) A health professional and a health facility have 30 days  
25 after receipt of a notice that a claim or a portion of a claim is  
26 defective within which to correct the defect. The PIHP shall pay  
27 the claim within 30 days after the defect is corrected.

1       Sec. 428. Each PIHP shall provide, from internal resources,  
2 local funds to be used as a bona fide part of the state match  
3 required under the Medicaid program in order to increase capitation  
4 rates for PIHPs. These funds shall not include either state funds  
5 received by a CMHSP for services provided to non-Medicaid  
6 recipients or the state matching portion of the Medicaid capitation  
7 payments made to a PIHP.

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

15       Sec. 442. (1) It is the intent of the legislature that the  
16 \$40,000,000.00 in funding transferred from the community mental  
17 health non-Medicaid services line to support the Medicaid adult  
18 benefits waiver program be used to provide state match for  
19 increases in federal funding for primary care and specialty  
20 services provided to Medicaid adult benefits waiver enrollees and  
21 for economic increases for the Medicaid specialty services and  
22 supports program.

23       (2) The department shall assure that persons enrolled in the  
24 Medicaid adult benefits waiver program shall receive mental health  
25 services as approved in the state plan amendment.

26       (3) Capitation payments to CMHSPs for persons who become  
27 enrolled in the Medicaid adult benefits waiver program shall be

1 made using the same rate methodology as payments for the current  
2 Medicaid beneficiaries.

3 (4) If enrollment in the Medicaid adult benefits waiver  
4 program does not achieve expectations and the funding appropriated  
5 for the Medicaid adult benefits waiver program for specialty  
6 services is not expended, the general fund balance shall be  
7 transferred back to the community mental health non-Medicaid  
8 services line. The department shall report quarterly to the senate  
9 and house of representatives appropriations subcommittees on  
10 community health a summary of eligible expenditures for the  
11 Medicaid adult benefits waiver program by CMHSPs.

12 Sec. 452. Unless otherwise authorized by law, the department  
13 shall not implement retroactively any policy that would lead to a  
14 negative financial impact on CMHSPs or PIHPs.

15 Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to  
16 the fullest extent possible when providing services and support  
17 programs for individuals with mental illness, developmental  
18 disabilities, or substance abuse issues. Consumer choices shall  
19 include skill-building assistance, rehabilitative and habilitative  
20 services, supported and integrated employment services program  
21 settings, and other work preparatory services provided in the  
22 community or by accredited community-based rehabilitation  
23 organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or  
24 restrict any choices from the array of services and program  
25 settings available to consumers without reasonable justification  
26 that those services are not in the consumer's best interest.

27 (2) CMHSPs and PIHPs shall take all necessary steps to ensure

1 that individuals with mental illness, developmental disabilities,  
2 or substance abuse issues be placed in the least restrictive  
3 setting in the quickest amount of time possible if it is the  
4 individual's choice.

5       Sec. 459. From the funds appropriated in part 1 for mental  
6 health court pilot programs, the department shall work with the  
7 judiciary, including the state court administrative office, to  
8 develop guidelines for the operation and evaluation of pilot mental  
9 health courts. It is the intent of the legislature that 1 of the  
10 pilot mental health courts be located in Oakland County if the  
11 local CMHSP and the trial court in that county meet all guidelines  
12 established under this section. Local CMHSPs and trial courts  
13 interested in becoming mental health court pilot sites shall submit  
14 a joint application for funding prepared in accordance with  
15 guidelines established by the department and judiciary. The  
16 applications shall include documentation of community needs and a  
17 commitment to the program by key stakeholders, including the local  
18 courts, law enforcement, prosecutor, defense counsel, and treatment  
19 providers.

20       Sec. 460. (1) The uniform definitions, standards, and  
21 instructions for the classification, allocation, assignment,  
22 calculation, recording, and reporting of administrative costs by  
23 PIHPs, CMHSPs, and contracted organized provider systems that  
24 receive payment or reimbursement from funds appropriated under  
25 section 104 that were implemented in fiscal year 2006-2007 by the  
26 department shall also be implemented for their subcontractors in  
27 fiscal year 2008-2009.

1           (2) The department shall provide the house of representatives  
2 and senate appropriations subcommittees on community health, the  
3 house of representatives and senate fiscal agencies, and the state  
4 budget director with a progress report on the implementation  
5 required under subsection (1). The progress report is due on July 1  
6 of the current fiscal year.

7           Sec. 463. The department shall use standard program evaluation  
8 measures to assess the overall effectiveness of programs provided  
9 through coordinating agencies and service providers in reducing and  
10 preventing the incidence of substance abuse. The measures  
11 established by the department shall be modeled after the program  
12 outcome measures and best practice guidelines for the treatment of  
13 substance abuse as proposed by the federal substance abuse and  
14 mental health services administration.

15          Sec. 464. It is the intent of the legislature that revenue  
16 received by the department from liquor license fees be expended at  
17 not less than the amount provided in fiscal year 2006-2007, to fund  
18 programs for the prevention, rehabilitation, care, and treatment of  
19 alcoholics pursuant to sections 543(1) and 1115(2) of the Michigan  
20 liquor control code of 1998, 1998 PA 58, MCL 436.1543 and 436.2115.

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

26          Sec. 467. If funds become available, the department shall  
27 increase funding paid from the community substance abuse

1 prevention, education, and treatment programs line item to the  
2 substance abuse coordinating agencies to the level of funding  
3 provided in fiscal year 2002-2003.

4       Sec. 468. To foster a more efficient administration of and to  
5 integrate care in publicly funded mental health and substance abuse  
6 services, the department shall maintain criteria for the  
7 incorporation of a city, county, or regional substance abuse  
8 coordinating agency into a local community mental health authority  
9 that will encourage those city, county, or regional coordinating  
10 agencies to incorporate as local community mental health  
11 authorities. If necessary, the department may make accommodations  
12 or adjustments in formula distribution to address administrative  
13 costs related to the maintenance of the criteria under this section  
14 and to the incorporation of the additional coordinating agencies  
15 into local community mental health authorities provided that all of  
16 the following are satisfied:

17       (a) The department provides funding for the administrative  
18 costs incurred by coordinating agencies incorporating into  
19 community mental health authorities. The department shall not  
20 provide more than \$75,000.00 to any coordinating agency for  
21 administrative costs.

22       (b) The accommodations or adjustments do not favor  
23 coordinating agencies who voluntarily elect to integrate with local  
24 community mental health authorities.

25       (c) The accommodations or adjustments do not negatively affect  
26 other coordinating agencies.

27       Sec. 470. (1) For those substance abuse coordinating agencies

1 that have voluntarily incorporated into community mental health  
2 authorities and accepted funding from the department for  
3 administrative costs incurred pursuant to section 468, the  
4 department shall establish written expectations for those CMHSPs,  
5 PIHPs, and substance abuse coordinating agencies and counties with  
6 respect to the integration of mental health and substance abuse  
7 services. At a minimum, the written expectations shall provide for  
8 the integration of those services as follows:

9 (a) Coordination and consolidation of administrative functions  
10 and redirection of efficiencies into service enhancements.

11 (b) Consolidation of points of 24-hour access for mental  
12 health and substance abuse services in every community.

13 (c) Alignment of coordinating agencies and PIHPs boundaries to  
14 maximize opportunities for collaboration and integration of  
15 administrative functions and clinical activities.

16 (2) By May 1 of the current fiscal year, the department shall  
17 report to the house of representatives and senate appropriations  
18 subcommittees on community health, the house and senate fiscal  
19 agencies, and the state budget office on the impact and  
20 effectiveness of this section and the status of the integration of  
21 mental health and substance abuse services.

22 Sec. 474. The department shall ensure that each contract with  
23 a CMHSP or PIHP requires the CMHSP or PIHP to provide each  
24 recipient and his or her family with information regarding the  
25 different types of guardianship and the alternatives to  
26 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to  
27 reduce or restrict the ability of a recipient or his or her family

1 from seeking to obtain any form of legal guardianship without just  
2 cause.

3       Sec. 480. The department shall provide to the senate and house  
4 appropriations subcommittees on community health and the senate and  
5 house fiscal agencies by March 30 of the current fiscal year a  
6 report on the number and reimbursement cost of atypical  
7 antipsychotic prescriptions by each PIHP for Medicaid  
8 beneficiaries.

9       Sec. 481. (1) If the state creates a centralized PIHP risk  
10 pool, the risk pool shall have a board that shall govern  
11 expenditures from the pool. The board shall have representatives  
12 from PIHPs.

13       (2) If the state creates a centralized PIHP risk pool, the  
14 department and the board established in subsection (1) shall  
15 develop a plan governing distributions from the centralized PIHP  
16 risk pool. The department shall report on any such plan to the  
17 senate and house appropriations subcommittees on community health  
18 and the senate and house fiscal agencies by April 1 of the current  
19 fiscal year.

20       Sec. 483. (1) A Medicaid recipient shall remain eligible and a  
21 qualifying applicant shall be determined eligible for medical  
22 assistance during a period of incarceration or detention. Medicaid  
23 coverage is limited during such a period to off-site inpatient  
24 hospitalization only.

25       (2) A Medicaid recipient is considered incarcerated or  
26 detained until released on bail, released as not guilty, released  
27 on parole, released on probation, released on pardon, released upon



1 completing a sentence, or released under home detention or tether.

2       Sec. 484. From the funds appropriated in part 1 for community  
3 substance abuse prevention, education, and treatment programs,  
4 \$2,450,000.00 shall be allocated to coordinating agencies to  
5 provide 90-day intensive substance abuse treatment services,  
6 including, but not limited to, residential services when  
7 appropriate for certain offenders who are referred to treatment by  
8 a drug treatment court or other court orders or as a condition of  
9 parole.

10       Sec. 485. It is the intent of the legislature that the  
11 department, in conjunction with the department of corrections,  
12 convene a workgroup to examine and evaluate jail diversion programs  
13 by CMHSPs, the Michigan prisoner re-entry initiative, and mental  
14 health court programs. The workgroup shall consist of  
15 representatives of the department, department of corrections,  
16 CMHSPs, local law enforcement agencies, including county  
17 prosecutors' offices, county sheriffs' offices, county jails,  
18 municipal police agencies, municipal detention facilities, and the  
19 courts. The findings of the workgroup shall be submitted to the  
20 house and senate appropriations subcommittees on community health,  
21 house and senate fiscal agencies, and state budget director by June  
22 30, 2009.

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

25       Sec. 601. (1) In funding of staff in the financial support  
26 division, reimbursement, and billing and collection sections,

1 priority shall be given to obtaining third-party payments for  
2 services. Collection from individual recipients of services and  
3 their families shall be handled in a sensitive and nonharassing  
4 manner.

5 (2) The department shall continue a revenue recapture project  
6 to generate additional revenues from third parties related to cases  
7 that have been closed or are inactive. Revenues collected through  
8 project efforts are appropriated to the department for departmental  
9 costs and contractual fees associated with these retroactive  
10 collections and to improve ongoing departmental reimbursement  
11 management functions.

12 Sec. 602. Unexpended and unencumbered amounts and accompanying  
13 expenditure authorizations up to \$1,000,000.00 remaining on  
14 September 30 of the current fiscal year from the amounts  
15 appropriated in part 1 for gifts and bequests for patient living  
16 and treatment environments shall be carried forward for 1 fiscal  
17 year. The purpose of gifts and bequests for patient living and  
18 treatment environments is to use additional private funds to  
19 provide specific enhancements for individuals residing at state-  
20 operated facilities. Use of the gifts and bequests shall be  
21 consistent with the stipulation of the donor. The expected  
22 completion date for the use of gifts and bequests donations is  
23 within 3 years unless otherwise stipulated by the donor.

24 Sec. 603. The funds appropriated in part 1 for forensic mental  
25 health services provided to the department of corrections are in  
26 accordance with the interdepartmental plan developed in cooperation  
27 with the department of corrections. The department is authorized to

1 receive and expend funds from the department of corrections in  
2 addition to the appropriations in part 1 to fulfill the obligations  
3 outlined in the interdepartmental agreements.

4 Sec. 604. (1) The CMHSPs or PIHPs shall provide annual reports  
5 to the department on the following information:

6 (a) The number of days of care purchased from state hospitals  
7 and centers.

8 (b) The number of days of care purchased from private  
9 hospitals in lieu of purchasing days of care from state hospitals  
10 and centers.

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

13 (d) Waiting lists for placements in state hospitals and  
14 centers.

15 (2) The department shall annually report the information in  
16 subsection (1) to the house of representatives and senate  
17 appropriations subcommittees on community health, the house and  
18 senate fiscal agencies, and the state budget director.

19 Sec. 605. (1) The department shall not implement any closures  
20 or consolidations of state hospitals, centers, or agencies until  
21 CMHSPs or PIHPs have programs and services in place for those  
22 persons currently in those facilities and a plan for service  
23 provision for those persons who would have been admitted to those  
24 facilities.

25 (2) All closures or consolidations are dependent upon adequate  
26 department-approved CMHSP and PIHP plans that include a discharge  
27 and aftercare plan for each person currently in the facility. A

1 discharge and aftercare plan shall address the person's housing  
2 needs. A homeless shelter or similar temporary shelter arrangements  
3 are inadequate to meet the person's housing needs.

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

9 (4) Upon the closure of state-run operations and after  
10 transitional costs have been paid, the remaining balances of funds  
11 appropriated for that operation shall be transferred to CMHSPs or  
12 PIHPs responsible for providing services for persons previously  
13 served by the operations.

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

#### 23 PUBLIC HEALTH ADMINISTRATION

24 Sec. 650. The department shall communicate the annual public  
25 health consumption advisory for sportfish. The department shall, at  
26 a minimum, post the advisory on the Internet and make the

1 information in the advisory available to the clients of the women,  
2 infants, and children special supplemental nutrition program.

3 Sec. 651. By April 30 of the current fiscal year, the  
4 department shall submit a report to the house and senate fiscal  
5 agencies and the state budget director on the activities and  
6 efforts of the department to improve the health status of the  
7 citizens of this state with regard to the goals and objectives  
8 stated in the "Healthy Michigan 2010" report, and the measurable  
9 progress made toward those goals and objectives.

#### 10 HEALTH POLICY, REGULATION, AND PROFESSIONS

11 Sec. 704. The department shall continue to contract with  
12 grantees supported through the appropriation in part 1 for the  
13 emergency medical services grants and contracts to ensure that a  
14 sufficient number of qualified emergency medical services personnel  
15 exist to serve rural areas of the state.

16 Sec. 706. When hiring any new nursing home inspectors funded  
17 through appropriations in part 1, the department shall make every  
18 effort to hire qualified individuals with past experience in the  
19 long-term care industry.

20 Sec. 707. The funds appropriated in part 1 for the nursing  
21 scholarship program, established in section 16315 of the public  
22 health code, 1978 PA 368, MCL 333.16315, shall be used to increase  
23 the number of nurses practicing in Michigan. The board of nursing  
24 is encouraged to structure scholarships funded under this act in a  
25 manner that rewards recipients who intend to practice nursing in  
26 Michigan. In addition, the department and the board of nursing

1 shall work cooperatively with the Michigan higher education  
2 assistance authority to coordinate scholarship assistance with  
3 scholarships provided pursuant to the Michigan nursing scholarship  
4 act, 2002 PA 591, MCL 390.1181 to 390.1189.

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

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

18       Sec. 710. From the funds appropriated in part 1 for primary  
19 care services, an amount not to exceed \$2,172,700.00 is  
20 appropriated to enhance the service capacity of the federally  
21 qualified health centers and other health centers that are similar  
22 to federally qualified health centers.

23       Sec. 711. The department may make available to interested  
24 entities customized listings of nonconfidential information in its  
25 possession, such as names and addresses of licensees. The  
26 department may establish and collect a reasonable charge to provide  
27 this service. The revenue received from this service shall be used

1 to offset expenses to provide the service. Any balance of this  
2 revenue collected and unexpended at the end of the fiscal year  
3 shall revert to the appropriate restricted fund.

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

11 (2) From the funds appropriated in part 1 for primary care  
12 services, \$50,000.00 shall be allocated 1 time to the free clinics  
13 of Michigan for the purpose of hiring an administrator responsible  
14 for the coordination of and fundraising for administration and  
15 operation of free health clinics.

16 Sec. 713. The department is directed to continue support of  
17 multicultural agencies that provide primary care services from the  
18 funds appropriated in part 1.

19 Sec. 714. The department shall report to the legislature on  
20 the timeliness of nursing facility complaint investigations and the  
21 number of allegations that are substantiated on an annual basis.  
22 The report shall consist of the number of allegations filed by  
23 consumers and the number of facility-reported incidents. The  
24 department shall make every effort to contact every complainant and  
25 the subject of a complaint during an investigation.

26 Sec. 716. The department shall give priority in investigations  
27 of alleged wrongdoing by licensed health care professionals to

1 instances that are alleged to have occurred within 2 years of the  
2 initial complaint.

3 Sec. 722. A medical professional who is newly accepted into  
4 the Michigan essential health provider program in fiscal year 2008-  
5 2009 is eligible for up to 4 years of loan repayments.

6 Sec. 723. From the funds appropriated in part 1 for the nurse  
7 scholarship, education, and research program, \$100.00 shall be  
8 allocated to a nurse education Ph.D. program.

9 Sec. 724. From the funds appropriated in part 1 for emergency  
10 medical services program state staff, \$100.00 shall be allocated  
11 for the development of a coordinated statewide trauma care system.

12 Sec. 725. From the funds appropriated in part 1 for rural  
13 health services, \$100.00 shall be allocated to support rural health  
14 improvement as identified in "Michigan Strategic Opportunities for  
15 Rural Health Improvement, A State Rural Health Plan 2008-2012". The  
16 department shall make these funds available to rural and  
17 micropolitan communities under a competitive bid process. The  
18 department shall not allocate more than \$5,000.00 to each rural or  
19 micropolitan community under this section. The department shall not  
20 allocate funds appropriated under this section unless a 50/50 state  
21 and local match rate has occurred. The department shall submit a  
22 report to the house and senate appropriations subcommittees on  
23 community health, house and senate fiscal agencies, and state  
24 budget director by April 1 of the current fiscal year on the  
25 projects supported by this allocation.

26 **INFECTIOUS DISEASE CONTROL**



1       Sec. 801. In the expenditure of funds appropriated in part 1  
2 for AIDS programs, the department and its subcontractors shall  
3 ensure that high-risk individuals ages 9 through 18 receive  
4 priority for prevention, education, and outreach services.

5       Sec. 803. The department shall continue the AIDS drug  
6 assistance program maintaining the prior year eligibility criteria  
7 and drug formulary. This section is not intended to prohibit the  
8 department from providing assistance for improved AIDS treatment  
9 medications. If the appropriation in part 1 or actual revenue is  
10 not sufficient to maintain the prior year eligibility criteria and  
11 drug formulary, the department may revise the eligibility criteria  
12 and drug formulary in a manner that is consistent with federal  
13 program guidelines.

14       Sec. 804. The department, in conjunction with efforts to  
15 implement the Michigan prisoner reentry initiative, shall cooperate  
16 with the department of corrections to share data and information as  
17 they relate to prisoners being released who are HIV positive or  
18 positive for the hepatitis C antibody. By April 1 of the current  
19 fiscal year, the department shall report to the senate and house  
20 appropriations subcommittees on community health, the senate and  
21 house fiscal agencies, and the state budget director on the  
22 progress and results of its work as permitted under federal law and  
23 the potential outcomes from its work with the department of  
24 corrections under this section.

25       **EPIDEMIOLOGY**

26       Sec. 851. The department shall provide a report annually to

1 the house of representatives and senate appropriations  
2 subcommittees on community health, the senate and house fiscal  
3 agencies, and the state budget director on the expenditures and  
4 activities undertaken by the lead abatement program. The report  
5 shall include, but is not limited to, a funding allocation  
6 schedule, expenditures by category of expenditure and by  
7 subcontractor, revenues received, description of program elements,  
8 and description of program accomplishments and progress.

9       Sec. 852. (1) From the funds appropriated in part 1 for the  
10 methamphetamine cleanup fund, the department shall allow local  
11 governments to apply for money to cover their administrative costs  
12 associated with the methamphetamine cleanup efforts. The funds  
13 allocated to local governments for the administrative costs  
14 associated with methamphetamine cleanup efforts shall not exceed  
15 \$800.00 per property.

16       (2) The department shall work with the Michigan association of  
17 counties to ensure that counties are aware that the funds  
18 appropriated in part 1 for methamphetamine cleanup activities are  
19 available.

#### 20 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

21       Sec. 901. The amount appropriated in part 1 for implementation  
22 of the 1993 additions of or amendments to sections 9161, 16221,  
23 16226, 17014, 17015, and 17515 of the public health code, 1978 PA  
24 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and  
25 333.17515, shall reimburse local health departments for costs  
26 incurred related to implementation of section 17015(18) of the

1 public health code, 1978 PA 368, MCL 333.17015.

2       Sec. 902. If a county that has participated in a district  
3 health department or an associated arrangement with other local  
4 health departments takes action to cease to participate in such an  
5 arrangement after October 1, 2008, the department shall have the  
6 authority to assess a penalty from the local health department's  
7 operational accounts in an amount equal to no more than 6.25% of  
8 the local health department's local public health operations  
9 funding. This penalty shall only be assessed to the local county  
10 that requests the dissolution of the health department.

11       Sec. 904. (1) Funds appropriated in part 1 for local public  
12 health operations shall be prospectively allocated to local health  
13 departments to support immunizations, infectious disease control,  
14 sexually transmitted disease control and prevention, hearing  
15 screening, vision services, food protection, public water supply,  
16 private groundwater supply, and on-site sewage management. Food  
17 protection shall be provided in consultation with the Michigan  
18 department of agriculture. Public water supply, private groundwater  
19 supply, and on-site sewage management shall be provided in  
20 consultation with the Michigan department of environmental quality.

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

23       (3) Distributions in subsection (1) shall be made only to  
24 counties that maintain local spending in fiscal year 2008-2009 of  
25 at least the amount expended in fiscal year 1992-1993 for the  
26 services described in subsection (1).

27       (4) By April 1 of the current fiscal year, the department

1 shall make available a report to the senate and house of  
2 representatives appropriations subcommittees on community health,  
3 the senate and house fiscal agencies, and the state budget director  
4 on the planned allocation of the funds appropriated for local  
5 public health operations.

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

7 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's  
8 information network shall be used to provide information and  
9 referral services through regional networks for persons with  
10 Alzheimer's disease or related disorders, their families, and  
11 health care providers.

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

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

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

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

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

25 (2) In awarding grants from the amounts appropriated in part 1  
26 for violence prevention, the department shall give equal

1 consideration to public and private nonprofit applicants.

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

5 Sec. 1009. From the funds appropriated in part 1 for the  
6 diabetes and kidney program, a portion of the funds may be  
7 allocated to the National Kidney Foundation of Michigan for kidney  
8 disease prevention programming including early identification and  
9 education programs and kidney disease prevention demonstration  
10 projects.

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

14 Sec. 1019. From the funds appropriated in part 1 for chronic  
15 disease prevention, \$50,000.00 may be allocated for stroke  
16 prevention, education, and outreach. The objectives of the program  
17 shall include education to assist persons in identifying risk  
18 factors, and education to assist persons in the early  
19 identification of the occurrence of a stroke in order to minimize  
20 stroke damage.

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

25 Sec. 1034. From the funds appropriated in part 1 for physical  
26 fitness, nutrition, and health, \$100.00 shall be allocated to the  
27 Michigan snowsports industries association for the cold is cool

1 program to expose Michigan schoolchildren to outdoor winter  
2 activities and downhill skiing.

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

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

12 Sec. 1104. (1) Before April 1 of the current fiscal year, the  
13 department shall submit a report to the house and senate fiscal  
14 agencies and the state budget director on planned allocations from  
15 the amounts appropriated in part 1 for local MCH services, prenatal  
16 care outreach and service delivery support, family planning local  
17 agreements, and pregnancy prevention programs. Using applicable  
18 federal definitions, the report shall include information on all of  
19 the following:

20 (a) Funding allocations.

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

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

26 (2) The department shall ensure that the distribution of funds

1 through the programs described in subsection (1) takes into account  
2 the needs of rural communities.

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

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

16 Sec. 1106. Each family planning program receiving federal  
17 title X family planning funds under 42 USC 300 to 300a-8 shall be  
18 in compliance with all performance and quality assurance indicators  
19 that the office of family planning within the United States  
20 department of health and human services specifies in the family  
21 planning annual report. An agency not in compliance with the  
22 indicators shall not receive supplemental or reallocated funds.

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

27 Sec. 1108. The funds appropriated in part 1 for pregnancy

1 prevention programs shall not be used to provide abortion  
2 counseling, referrals, or services.

3       Sec. 1109. (1) From the amounts appropriated in part 1 for  
4 dental programs, funds shall be allocated to the Michigan dental  
5 association for the administration of a volunteer dental program  
6 that provides dental services to the uninsured in an amount that is  
7 no less than the amount allocated to that program in fiscal year  
8 1996-1997.

9       (2) Not later than December 1 of the current fiscal year, the  
10 department shall make available upon request a report to the senate  
11 or house of representatives appropriations subcommittee on  
12 community health or the senate or house of representatives standing  
13 committee on health policy the number of individual patients  
14 treated, number of procedures performed, and approximate total  
15 market value of those procedures from the immediately preceding  
16 fiscal year.

17       Sec. 1110. Agencies that currently receive pregnancy  
18 prevention funds and either receive or are eligible for other  
19 family planning funds shall have the option of receiving all of  
20 their family planning funds directly from the department and be  
21 designated as delegate agencies.

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

26       Sec. 1112. From the funds appropriated in part 1 for prenatal  
27 care outreach and service delivery support, the department shall



1 allocate at least \$1,000,000.00 to communities with high infant  
2 mortality rates.

3       Sec. 1115. (1) The department shall collaborate with the state  
4 board of education, the department of human services, the  
5 department of labor and economic growth, and the department of  
6 history, arts, and libraries to extend the duration of the Michigan  
7 after-school partnership and oversee its efforts to implement the  
8 policy recommendations and strategic next steps identified in the  
9 Michigan after-school initiative's report of December 15, 2003.

10       (2) From the funds appropriated in part 1 for special  
11 projects, \$25,000.00 shall be allocated for the partnership  
12 described in subsection (1).

13       Sec. 1116. The department shall convene appropriate  
14 stakeholders to determine the efficacy and impact of restoring a  
15 coordinated regional perinatal system in Michigan. A report shall  
16 be produced that reflects best practices, expected potential impact  
17 on infant mortality, and recommendations for policy and funding of  
18 such a system in Michigan. The report shall be provided to the  
19 house and senate appropriations subcommittees on community health  
20 and standing committees on health policy, the house and senate  
21 fiscal agencies, and the state budget director by April 1, 2009.

22       Sec. 1129. The department shall provide a report annually to  
23 the house of representatives and senate appropriations  
24 subcommittees on community health, the house and senate fiscal  
25 agencies, and the state budget director on the number of children  
26 with elevated blood lead levels from information available to the  
27 department. The report shall provide the information by county,

1 shall include the level of blood lead reported, and shall indicate  
2 the sources of the information.

3 Sec. 1132. From the funds appropriated in part 1 for special  
4 projects, \$400,000.00 shall be allocated to the nurse family  
5 partnership program.

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

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

16 (a) The department of education.

17 (b) The department of community health.

18 (c) The health administration in the department of community  
19 health.

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

22 (e) The department of human services.

23 (f) The department of state police.

24 (2) Upon written or oral request, a pupil not less than 18  
25 years of age or a parent or legal guardian of a pupil less than 18  
26 years of age, within a reasonable period of time after the request  
27 is made, shall be informed of the content of a course in the health

1 education curriculum and may examine textbooks and other classroom  
2 materials that are provided to the pupil or materials that are  
3 presented to the pupil in the classroom. This subsection does not  
4 require a school board to permit pupil or parental examination of  
5 test questions and answers, scoring keys, or other examination  
6 instruments or data used to administer an academic examination.

7       Sec. 1137. From the funds appropriated in part 1 for special  
8 projects, \$200.00 shall be allocated to support an Alzheimer's  
9 disease patient care training program involving a community college  
10 and a retirement community.

#### 11 WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

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

17       Sec. 1153. The department shall ensure that individuals  
18 residing in rural communities have sufficient access to the  
19 services offered through the WIC program.

#### 20 CHILDREN'S SPECIAL HEALTH CARE SERVICES

21       Sec. 1201. Funds appropriated in part 1 for medical care and  
22 treatment of children with special health care needs shall be paid  
23 according to reimbursement policies determined by the Michigan  
24 medical services program. Exceptions to these policies may be taken  
25 with the prior approval of the state budget director.

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

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

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

6           (c) Provide genetic diagnostic and counseling services for  
7 eligible families.

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

11          Sec. 1203. All children who are determined medically eligible  
12 for the children's special health care services program shall be  
13 referred to the appropriate locally based services program in their  
14 community.

15    **OFFICE OF DRUG CONTROL POLICY**

16          Sec. 1250. The department shall provide \$1,800,000.00 in Byrne  
17 justice assistance grant program funding to the judiciary by  
18 interdepartmental grant.

19    **CRIME VICTIM SERVICES COMMISSION**

20          Sec. 1304. The department shall work with the department of  
21 state police, the Michigan health and hospital association, the  
22 Michigan state medical society, and the Michigan nurses association  
23 to ensure that the recommendations included in the "Standard  
24 Recommended Procedures for the Emergency Treatment of Sexual  
25 Assault Victims" are followed in the collection of evidence.

1    OFFICE OF SERVICES TO THE AGING

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

7           Sec. 1403. (1) The office of services to the aging shall  
8 require each region to report to the office of services to the  
9 aging home delivered meals waiting lists based upon standard  
10 criteria. Determining criteria shall include all of the following:

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

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

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

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

17           (2) Data required in subsection (1) shall be recorded only for  
18 individuals who have applied for participation in the home  
19 delivered meals program and who are initially determined as likely  
20 to be eligible for home delivered meals.

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

1       Sec. 1406. The appropriation of \$5,000,000.00 of merit award  
2 trust funds to the office of services to the aging for the respite  
3 care program shall be allocated in accordance with a long-term care  
4 plan developed by the long-term care working group established in  
5 section 1657 of 1998 PA 336 upon implementation of the plan. The  
6 use of the funds shall be for direct respite care or adult respite  
7 care center services. Not more than 9% of the amount allocated  
8 under this section shall be expended for administration and  
9 administrative purposes.

10       Sec. 1413. The legislature affirms the commitment to locally  
11 based services. The legislature supports the role of local county  
12 board of commissioners in the approval of area agency on aging  
13 plans. Local counties may request to change membership in the area  
14 agencies on aging if the change is to an area agency on aging that  
15 is contiguous to that county pursuant to office of services to the  
16 aging policies and procedures for area agency on aging designation.  
17 The office of services to the aging shall adjust allocations to  
18 area agencies on aging to account for any changes in county  
19 membership. The office of services to the aging shall ensure  
20 annually that county boards of commissioners are aware that county  
21 membership in area agencies on aging can be changed subject to  
22 office of services to the aging policies and procedures for area  
23 agency on aging designation. The legislature supports the office of  
24 services to the aging working with others to provide training to  
25 commissioners to better understand and advocate for aging issues.  
26 It is the intent of the legislature to prohibit area agencies on  
27 aging from providing direct services, other than access services,

1 unless the agencies receive a waiver from the commission on  
2 services to the aging. The legislature's intent in this section is  
3 conditioned on compliance with federal and state laws, rules, and  
4 policies.

5       Sec. 1416. The office of services to the aging shall provide  
6 in-home services, resources, and assistance for the frail elderly  
7 who are not being served by the Medicaid home- and community-based  
8 services waiver program.

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

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

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

19   **MICHIGAN FIRST HEALTHCARE PLAN**

20       Sec. 1501. (1) Funds appropriated in part 1 for the Michigan  
21 first healthcare plan are contingent upon approval of a waiver from  
22 the federal government.

23       (2) In addition to the funds appropriated in part 1 for the  
24 Michigan first healthcare plan, up to \$300,000,000.00 in federal  
25 funds shall be appropriated upon approval of a waiver from the  
26 federal government.

1       Sec. 1502. Upon approval of a waiver from the federal  
2 government for the Michigan first healthcare plan, the department  
3 shall provide the senate and house of representatives  
4 appropriations subcommittees on community health, the senate and  
5 house fiscal agencies, and the state budget director with a report  
6 detailing the process that will be utilized to determine which  
7 insurance entities will be selected for participation in the  
8 Michigan first healthcare plan. The department shall not award a  
9 single-source contract to a health plan through the Michigan first  
10 healthcare plan.

11       Sec. 1503. The department shall provide a copy of the  
12 federally approved Michigan first healthcare plan or similar  
13 proposal to the house of representatives and senate appropriations  
14 subcommittees on community health, the house and senate fiscal  
15 agencies, and the state budget director at least 60 days before  
16 implementing any portion of the Michigan first healthcare plan or  
17 other similar proposal.

#### 18    MEDICAL SERVICES

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

24       Sec. 1602. Medical services shall be provided to elderly and  
25 disabled persons with incomes less than or equal to 100% of the  
26 official poverty level, pursuant to the state's option to elect



1 such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title  
2 XIX, 42 USC 1396a.

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

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

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

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

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

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

24 Sec. 1607. (1) An applicant for Medicaid, whose qualifying  
25 condition is pregnancy, shall immediately be presumed to be  
26 eligible for Medicaid coverage unless the preponderance of evidence  
27 in her application indicates otherwise. The applicant who is

1 qualified as described in this subsection shall be allowed to  
2 select or remain with the Medicaid participating obstetrician of  
3 her choice.

4 (2) An applicant qualified as described in subsection (1)  
5 shall be given a letter of authorization to receive Medicaid  
6 covered services related to her pregnancy. All qualifying  
7 applicants shall be entitled to receive all medically necessary  
8 obstetrical and prenatal care without preauthorization from a  
9 health plan. All claims submitted for payment for obstetrical and  
10 prenatal care shall be paid at the Medicaid fee-for-service rate in  
11 the event a contract does not exist between the Medicaid  
12 participating obstetrical or prenatal care provider and the managed  
13 care plan. The applicant shall receive a listing of Medicaid  
14 physicians and managed care plans in the immediate vicinity of the  
15 applicant's residence.

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

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

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

4           (6) Effective October 1, 2008, the department shall mandate  
5 enrollment of women, whose qualifying condition is pregnancy, into  
6 Medicaid managed care plans. The department shall not mandate  
7 enrollment into a Medicaid managed care plan if the woman has an  
8 established relationship with her Medicaid participating physician  
9 and the physician is not associated with a Medicaid health plan.

10          Sec. 1610. The department shall provide an administrative  
11 procedure for the review of cost report grievances by medical  
12 services providers with regard to reimbursement under the medical  
13 services program. Settlements of properly submitted cost reports  
14 shall be paid not later than 9 months from receipt of the final  
15 report.

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

1 in full.

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

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

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

18 (3) It is the intent of the legislature that if the department  
19 realizes savings as a result of the implementation of average  
20 manufacturer's price for reimbursement of multiple source generic  
21 medication dispensing as imposed pursuant to the federal deficit  
22 reduction act of 2005, Public Law 109-171, the savings shall be  
23 returned to pharmacies in the form of an increased dispensing fee  
24 for medications not to exceed \$2.00. The savings shall be  
25 calculated as the difference in state expenditure between the  
26 current methodology of payment, which is maximum allowable cost,  
27 and the proposed new reimbursement method of average manufacturer's

1 price.

2       Sec. 1621. The department may implement prospective drug  
3 utilization review and disease management systems. The prospective  
4 drug utilization review and disease management systems authorized  
5 by this section shall have physician oversight, shall focus on  
6 patient, physician, and pharmacist education, and shall be  
7 developed in consultation with the national pharmaceutical council,  
8 Michigan state medical society, Michigan osteopathic association,  
9 Michigan pharmacists association, Michigan health and hospital  
10 association, and Michigan nurses association.

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

14       (2) The department shall notify all HMOs, physicians,  
15 pharmacies, and other medical providers that are enrolled in the  
16 Medicaid program that Medicaid policy allows for the dispensing of  
17 a 100-day supply for maintenance drugs.

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

23       Sec. 1625. The department shall continue its practice of  
24 placing all atypical antipsychotic medications on the Medicaid  
25 preferred drug list.

26       Sec. 1627. (1) The department shall use procedures and rebates  
27 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,

1 to secure quarterly rebates from pharmaceutical manufacturers for  
2 outpatient drugs dispensed to participants in the MICHild program,  
3 maternal outpatient medical services program, children's special  
4 health care services, and adult benefit waiver program.

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

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

12 Sec. 1630. (1) Medicaid coverage for podiatric services, adult  
13 dental services, and chiropractic services shall continue at not  
14 less than the level in effect on October 1, 2002, except that  
15 reasonable utilization limitations may be adopted in order to  
16 prevent excess utilization. The department shall not impose  
17 utilization restrictions on chiropractic services unless a  
18 recipient has exceeded 18 office visits within 1 year.

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

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

26 (2) Except as otherwise prohibited by federal or state law or  
27 regulations, the department shall require Medicaid recipients to

1 pay the following copayments:

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

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

4 (c) Fifty dollars for the first day of an inpatient hospital  
5 stay.

6 (d) One dollar for an outpatient hospital visit.

7 Sec. 1633. From the funds appropriated in part 1 for dental  
8 services, the department shall allocate \$582,900.00 to expand the  
9 healthy kids dental program to Muskegon County effective July 1,  
10 2009.

11 Sec. 1634. From the funds appropriated in part 1 for ambulance  
12 services, the department shall continue the 5% increase in payment  
13 rates for ambulance services implemented in fiscal year 2000-2001  
14 and continue the ground mileage reimbursement rate per statute mile  
15 at \$4.25.

16 Sec. 1635. From the funds appropriated in part 1 for physician  
17 services and health plan services, the department shall continue  
18 the increase in Medicaid reimbursement rates for obstetrical  
19 services implemented in fiscal year 2005-2006.

20 Sec. 1636. From the funds appropriated in part 1 for physician  
21 services and health plan services, the department shall continue  
22 the increase in Medicaid reimbursement rates for physician well  
23 child procedure codes and primary care procedure codes implemented  
24 in fiscal year 2006-2007. The increased reimbursement rates in this  
25 section shall not exceed the comparable Medicare payment rate for  
26 the same services.

27 Sec. 1637. (1) All adult Medicaid recipients shall be offered

1 the opportunity to sign a Medicaid personal responsibility  
2 agreement.

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

5 (a) That the recipient shall not smoke.

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

8 (c) That the recipient shall exercise regularly.

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

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

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

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

25 Sec. 1647. From the funds appropriated in part 1 for medical  
26 services, the department shall allocate for graduate medical  
27 education not less than the level of rates and payments in effect



1 on April 1, 2005.

2 Sec. 1648. The department shall maintain an automated toll-  
3 free telephone line and make available an online resource to enable  
4 medical providers to obtain enrollment and benefit information of  
5 Medicaid recipients. There shall be no charge to providers for the  
6 use of the toll-free telephone line or online resource.

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

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

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

27 (3) The criteria for medical exceptions to HMO enrollment

1 shall be based on submitted documentation that indicates a  
2 recipient has a serious medical condition, and is undergoing active  
3 treatment for that condition with a physician who does not  
4 participate in 1 of the HMOs. If the person meets the criteria  
5 established by this subsection, the department shall grant an  
6 exception to mandatory enrollment at least through the current  
7 prescribed course of treatment, subject to periodic review of  
8 continued eligibility.

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

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

19       Sec. 1652. If the department implements changes in the  
20 Medicaid health plan contract to permit contracted HMOs to request  
21 service area expansions, it shall ensure that any Medicaid health  
22 plan that expands its service area agrees to the following:

23       (a) The Medicaid HMO shall not sell, transfer, or otherwise  
24 convey to any person all or any portion of the HMO's assets or  
25 business, whether in the form of equity, debt, or otherwise, for a  
26 period of 3 years from the date the Medicaid HMO commences  
27 operations in a new service area.

1 (b) That any Medicaid HMOs that expand into a county with a  
2 population of at least 1,500,000 shall also expand its coverage to  
3 a county with a population of less than 100,000 which has 1 or  
4 fewer HMOs participating in the Medicaid program.

5 Sec. 1653. Implementation and contracting for managed care by  
6 the department through HMOs shall be subject to the following  
7 conditions:

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

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

14 (c) Mandatory enrollment of Medicaid beneficiaries living in  
15 counties defined as rural by the federal government, which is any  
16 nonurban standard metropolitan statistical area, is allowed if  
17 there is only 1 HMO serving the Medicaid population, as long as  
18 each Medicaid beneficiary is assured of having a choice of at least  
19 2 physicians by the HMO.

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

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

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

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

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

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

21 Sec. 1656. (1) The department shall provide an expedited  
22 complaint review procedure for Medicaid eligible persons enrolled  
23 in HMOs for situations in which failure to receive any health care  
24 service would result in significant harm to the enrollee.

25 (2) The department shall provide for a toll-free telephone  
26 number for Medicaid recipients enrolled in managed care to assist  
27 with resolving problems and complaints. If warranted, the

1 department shall immediately disenroll persons from managed care  
2 and approve fee-for-service coverage.

3       Sec. 1657. (1) Reimbursement for medical services to screen  
4 and stabilize a Medicaid recipient, including stabilization of a  
5 psychiatric crisis, in a hospital emergency room shall not be made  
6 contingent on obtaining prior authorization from the recipient's  
7 HMO. If the recipient is discharged from the emergency room, the  
8 hospital shall notify the recipient's HMO within 24 hours of the  
9 diagnosis and treatment received.

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

14       (3) Subsections (1) and (2) shall not be construed as a  
15 requirement to alter an existing agreement between an HMO and their  
16 contracting hospitals nor as a requirement that an HMO must  
17 reimburse for services that are not considered to be medically  
18 necessary.

19       (4) The department shall provide a report by September 30 of  
20 the current fiscal year to the senate and house appropriations  
21 subcommittees on community health and senate and house fiscal  
22 agencies examining how payment policies in the current Medicaid  
23 program create financial incentives for health facilities to admit  
24 recipients from the emergency room.

25       Sec. 1658. (1) HMOs shall have contracts with hospitals within  
26 a reasonable distance from their enrollees. If a hospital does not  
27 contract with the HMO in its service area, that hospital shall

1 enter into a hospital access agreement as specified in the MSA  
2 bulletin Hospital 01-19.

3 (2) A hospital access agreement specified in subsection (1)  
4 shall be considered an affiliated provider contract pursuant to the  
5 requirements contained in chapter 35 of the insurance code of 1956,  
6 1956 PA 218, MCL 500.3501 to 500.3580.

7 Sec. 1659. The following sections of this act are the only  
8 ones that shall apply to the following Medicaid managed care  
9 programs, including the comprehensive plan, MIChoice long-term care  
10 plan, and the mental health, substance abuse, and developmentally  
11 disabled services program: 401, 402, 404, 411, 414, 418, 424, 428,  
12 456, 481, 1607, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657,  
13 1658, 1660, 1661, 1662, 1666, 1699, 1711, 1749, 1752, and 1783.

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

18 (2) The primary responsibility of assuring a child's hearing  
19 and vision screening is with the child's primary care provider. The  
20 primary care provider shall provide age-appropriate screening or  
21 arrange for these tests through referrals to local health  
22 departments. Local health departments shall provide preschool  
23 hearing and vision screening services and accept referrals for  
24 these tests from physicians or from Head Start programs in order to  
25 assure all preschool children have appropriate access to hearing  
26 and vision screening. Local health departments shall be reimbursed  
27 for the cost of providing these tests for Medicaid eligible

1 children by the Medicaid program.

2 (3) The department shall prohibit HMOs from requiring prior  
3 authorization of their contracted providers for any EPSDT screening  
4 and diagnosis services.

5 (4) The department shall require HMOs to be responsible for  
6 well child visits as described in Medicaid policy. These  
7 responsibilities shall be specified in the information distributed  
8 by the HMOs to their members.

9 (5) The department shall provide, on an annual basis, budget  
10 neutral incentives to Medicaid HMOs and local health departments to  
11 improve performance on measures related to the care of children.

12 Sec. 1661. (1) The department shall assure that all Medicaid  
13 eligible children and pregnant women have timely access to MSS/ISS  
14 services. Medicaid HMOs shall assure that maternal support service  
15 screening is available to their pregnant members and that those  
16 women found to meet the maternal support service high-risk criteria  
17 are offered maternal support services. Local health departments  
18 shall assure that maternal support service screening is available  
19 for Medicaid pregnant women not enrolled in an HMO and that those  
20 women found to meet the maternal support service high-risk criteria  
21 are offered maternal support services or are referred to a  
22 certified maternal support service provider.

23 (2) The department shall prohibit HMOs from requiring prior  
24 authorization of their contracted providers for any MSS/ISS  
25 screening referral, or for up to 3 MSS/ISS service visits.

26 (3) The department shall require HMOs to be responsible for  
27 maternal and infant support services as described in Medicaid

1 policy. These responsibilities shall be specified in the  
2 information distributed by the HMOs to their members.

3 (4) The department shall assure the coordination of MSS/ISS  
4 services with the WIC program, state-supported substance abuse,  
5 smoking prevention, and violence prevention programs, the  
6 department of human services, and any other state or local program  
7 with a focus on preventing adverse birth outcomes and child abuse  
8 and neglect.

9 (5) The department shall provide, on an annual basis, budget  
10 neutral incentives to Medicaid HMOs and local health departments to  
11 improve performance on measures related to the care of pregnant  
12 women.

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

18 (2) The department shall require Medicaid HMOs to provide  
19 EPSDT utilization data through the encounter data system, and  
20 health employer data and information set well child health measures  
21 in accordance with the National Committee on Quality Assurance  
22 prescribed methodology.

23 (3) The department shall provide a copy of the analysis of the  
24 Medicaid HMO annual audited health employer data and information  
25 set reports and the annual external quality review report to the  
26 senate and house of representatives appropriations subcommittees on  
27 community health, the senate and house fiscal agencies, and the



1 state budget director, within 30 days of the department's receipt  
2 of the final reports from the contractors.

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

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

10 Sec. 1666. To increase timely repayment of the maternity case  
11 rate to health plans and reduce the need to recover revenue from  
12 hospitals, the department shall implement system changes to assure  
13 that children who are born to mothers who are Medicaid eligible and  
14 enrolled in health plans are within 30 days after birth included in  
15 the Medicaid eligibility file and enrolled in the same health plan  
16 as the mother or any other health plan designated by the mother.

17 Sec. 1670. (1) The appropriation in part 1 for the MICHild  
18 program is to be used to provide comprehensive health care to all  
19 children under age 19 who reside in families with income at or  
20 below 200% of the federal poverty level, who are uninsured and have  
21 not had coverage by other comprehensive health insurance within 6  
22 months of making application for MICHild benefits, and who are  
23 residents of this state. The department shall develop detailed  
24 eligibility criteria through the medical services administration  
25 public concurrence process, consistent with the provisions of this  
26 bill. Health coverage for children in families between 150% and  
27 200% of the federal poverty level shall be provided through a

1 state-based private health care program.

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

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

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

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

23 (a) "Dental care corporation", "health care corporation",  
24 "insurer", and "prudent purchaser agreement" mean those terms as  
25 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL  
26 550.52.

27 (b) "Entity" means a health care corporation or insurer

1 operating in accordance with a prudent purchaser agreement.

2 (6) The department may enter into contracts to obtain certain  
3 MICHild services from community mental health service programs.

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

9 (8) The department shall assure that an external quality  
10 review of each MICHild contractor, as described in subsection (5),  
11 is performed, which analyzes and evaluates the aggregated  
12 information on quality, timeliness, and access to health care  
13 services that the contractor furnished to MICHild beneficiaries.

14 Sec. 1671. From the funds appropriated in part 1, the  
15 department shall continue a comprehensive approach to the marketing  
16 and outreach of the MICHild program. The marketing and outreach  
17 required under this section shall be coordinated with current  
18 outreach, information dissemination, and marketing efforts and  
19 activities conducted by the department.

20 Sec. 1673. The department may establish premiums for MICHild  
21 eligible persons in families with income above 150% of the federal  
22 poverty level. The monthly premiums shall not be less than \$10.00  
23 or exceed \$15.00 for a family.

24 Sec. 1677. The MICHild program shall provide all benefits  
25 available under the state employee insurance plan that are  
26 delivered through contracted providers and consistent with federal  
27 law, including, but not limited to, the following medically

1 necessary services:

2 (a) Inpatient mental health services, other than substance  
3 abuse treatment services, including services furnished in a state-  
4 operated mental hospital and residential or other 24-hour  
5 therapeutically planned structured services.

6 (b) Outpatient mental health services, other than substance  
7 abuse services, including services furnished in a state-operated  
8 mental hospital and community-based services.

9 (c) Durable medical equipment and prosthetic and orthotic  
10 devices.

11 (d) Dental services as outlined in the approved MICHild state  
12 plan.

13 (e) Substance abuse treatment services that may include  
14 inpatient, outpatient, and residential substance abuse treatment  
15 services.

16 (f) Care management services for mental health diagnoses.

17 (g) Physical therapy, occupational therapy, and services for  
18 individuals with speech, hearing, and language disorders.

19 (h) Emergency ambulance services.

20 Sec. 1680. (1) It is the intent of the legislature that  
21 payment increases for enhanced wages and new or enhanced employee  
22 benefits shall be provided to those nursing homes that make  
23 application for it to fund the Medicaid program share of wage and  
24 employee benefit increases up to the equivalent of 50 cents per  
25 employee hour. Employee benefits include, but are not limited to,  
26 health benefits, retirement benefits, and quality of life benefits  
27 such as day care services.

1           (2) The enhanced wages and new or enhanced employee benefit  
2 increases shall be for those nursing homes which have a legally  
3 binding, written commitment to increase employee wages and  
4 benefits. To be eligible for wage and benefit increases, the  
5 nursing home must submit the following to the department:

6           (a) Proof of a legally binding written commitment of the  
7 enhanced wages and new or enhanced employee benefits.

8           (b) Proof of the existence of a method of enforcement of the  
9 commitment, including, but not limited to, arbitration, that is  
10 available to the employees or their representative, and to which  
11 all of the following apply:

12           (i) It is expeditious.

13           (ii) It uses a neutral decision maker.

14           (iii) It is economical for the employees.

15           (c) Proof that the specific facility has provided written  
16 notice of the terms of the commitment and the availability of the  
17 enforcement mechanism to the relevant employees or their recognized  
18 representatives.

19           (3) The department may inspect relevant payroll and personnel  
20 records of nursing homes receiving the wage pass-through pursuant  
21 to this section in order to ensure that the employee wage and  
22 benefit increases provided for in this section have been  
23 implemented.

24           (4) A nursing home employee's enforcement or attempted  
25 enforcement of the written commitment pursuant to subsection (2)(a)  
26 shall not constitute a basis for adverse action against that  
27 employee.

1           (5) The cost of the wage and benefit increases shall be paid  
2 from the increase appropriated in part 1 for long-term care  
3 services.

4           (6) The wage pass-through shall not be used for previously  
5 agreed-to wage or benefit increases as a result of collective  
6 bargaining or for standard step increases.

7           (7) Payment increases for enhanced wages and new or enhanced  
8 employee benefits provided in previous years through the Medicaid  
9 nursing home wage pass-through program shall be continued.

10          Sec. 1681. From the funds appropriated in part 1 for home- and  
11 community-based services, the department and local waiver agents  
12 shall encourage the use of family members, friends, and neighbors  
13 of home- and community-based services participants, where  
14 appropriate, to provide homemaker services, meal preparation,  
15 transportation, chore services, and other nonmedical covered  
16 services to participants in the Medicaid home- and community-based  
17 services program. This section shall not be construed as allowing  
18 for the payment of family members, friends, or neighbors for these  
19 services unless explicitly provided for in federal or state law.

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

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

1           (3) The department is authorized to provide civil monetary  
2 penalty funds to the disability network of Michigan to be  
3 distributed to the 15 centers for independent living for the  
4 purpose of assisting individuals with disabilities who reside in  
5 nursing homes to return to their own homes.

6           (4) The department is authorized to use civil monetary penalty  
7 funds to conduct a survey evaluating consumer satisfaction and the  
8 quality of care at nursing homes. Factors can include, but are not  
9 limited to, the level of satisfaction of nursing home residents,  
10 their families, and employees. The department may use an  
11 independent contractor to conduct the study.

12           (5) Any unexpended penalty money, at the end of the year,  
13 shall carry forward to the following year.

14           Sec. 1683. The department shall promote activities that  
15 preserve the dignity and rights of terminally ill and chronically  
16 ill individuals. Priority shall be given to programs, such as  
17 hospice, that focus on individual dignity and quality of care  
18 provided persons with terminal illness and programs serving persons  
19 with chronic illnesses that reduce the rate of suicide through the  
20 advancement of the knowledge and use of improved, appropriate pain  
21 management for these persons; and initiatives that train health  
22 care practitioners and faculty in managing pain, providing  
23 palliative care, and suicide prevention.

24           Sec. 1684. (1) Of the funds appropriated in part 1 for the  
25 Medicaid home- and community-based services waiver program, the  
26 payment rate allocated for administrative expenses for fiscal year  
27 2008-2009 shall continue at the rate implemented in fiscal year

1 2005-2006 after the \$2.00 per person per day mandated reduction.

2 (2) The savings realized from continuing the reduced  
3 administrative rate shall be reallocated to increase enrollment in  
4 the waiver program and to provide direct services to eligible  
5 program participants.

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

16 Sec. 1686. (1) The department shall submit a report by April  
17 30 of the current fiscal year to the house of representatives and  
18 senate appropriations subcommittees on community health and the  
19 house and senate fiscal agencies on the progress of 4 Medicaid  
20 long-term care single point of entry services pilot projects. The  
21 department shall also submit a final plan to the house of  
22 representatives and senate subcommittees on community health and  
23 the house and senate fiscal agencies 60 days prior to any expansion  
24 of the program.

25 (2) In addition to the report required under subsection (1),  
26 the department shall report all of the following to the house of  
27 representatives and senate appropriations subcommittees on



1 community health and the house of representatives and senate fiscal  
2 agencies by September 30 of the current fiscal year:

3 (a) The total cost of the single point of entry program.

4 (b) The total cost of each designated single point of entry.

5 (c) The total amount of Medicaid dollars saved because of the  
6 program.

7 (d) The total number of emergent single point of entry cases  
8 handled and the average length of time for placement in long-term  
9 care for those cases.

10 (e) The total number of single point of entry cases involving  
11 transfer from hospital settings to long-term care settings and the  
12 average length of time for placement of those cases in long-term  
13 care settings.

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

18 Sec. 1688. The department shall not impose a limit on per unit  
19 reimbursements to service providers that provide personal care or  
20 other services under the Medicaid home- and community-based  
21 services waiver program for the elderly and disabled. The  
22 department's per day per client reimbursement cap calculated in the  
23 aggregate for all services provided under the Medicaid home- and  
24 community-based services waiver is not a violation of this section.

25 Sec. 1689. (1) Priority in enrolling additional persons in the  
26 Medicaid home- and community-based services waiver program shall be  
27 given to those who are currently residing in nursing homes or who

1 are eligible to be admitted to a nursing home if they are not  
2 provided home- and community-based services. The department shall  
3 use screening and assessment procedures to assure that no  
4 additional Medicaid eligible persons are admitted to nursing homes  
5 who would be more appropriately served by the Medicaid home- and  
6 community-based services waiver program.

7 (2) Within 60 days of the end of each fiscal quarter, the  
8 department shall provide a report to the senate and house  
9 appropriations subcommittees on community health and the senate and  
10 house fiscal agencies that details existing and future allocations  
11 for the home- and community-based services waiver program by  
12 regions as well as the associated expenditures. The report shall  
13 include information regarding the net cost savings from moving  
14 individuals from a nursing home to the home- and community-based  
15 services waiver program, the number of individuals transitioned  
16 from nursing homes to the home- and community-based services waiver  
17 program, the number of individuals on waiting lists by region for  
18 the program, and the amount of funds transferred during the fiscal  
19 quarter. The report shall also include the number of Medicaid  
20 individuals served and the number of days of care for the home- and  
21 community-based services waiver program and in nursing homes.

22 (3) The department shall continue to develop a system to  
23 collect and analyze information regarding individuals on the home-  
24 and community-based services waiver waiting list to identify the  
25 community supports they receive, including, but not limited to,  
26 adult home help, food stamps, and housing assistance services and  
27 to determine the extent to which these community supports help

1 individuals remain in their home and avoid entry into a nursing  
2 home. The department shall provide a progress report on  
3 implementation to the senate and house appropriations subcommittees  
4 on community health and the senate and house fiscal agencies by  
5 June 1 of the current fiscal year.

6       Sec. 1690. (1) The department shall submit a report to the  
7 house and senate appropriations subcommittees on community health,  
8 the house and senate fiscal agencies, and the state budget director  
9 by April 1 of the current fiscal year, to include all data  
10 collected on the quality assurance indicators in the preceding  
11 fiscal year for the home- and community-based services waiver  
12 program, as well as quality improvement plans and data collected on  
13 critical incidents in the waiver program and their resolutions.

14       (2) The department shall submit a report to the house and  
15 senate appropriations subcommittees on community health, the house  
16 and senate fiscal agencies, and the state budget director by April  
17 1 of the current fiscal year, to include all data collected on the  
18 quality assurance indicators in the preceding fiscal year for the  
19 adult home help program, as well as quality improvement plans and  
20 data collected on critical incidents in the adult home help program  
21 and their resolutions.

22       Sec. 1692. (1) The department is authorized to pursue  
23 reimbursement for eligible services provided in Michigan schools  
24 from the federal Medicaid program. The department and the state  
25 budget director are authorized to negotiate and enter into  
26 agreements, together with the department of education, with local  
27 and intermediate school districts regarding the sharing of federal

1 Medicaid services funds received for these services. The department  
2 is authorized to receive and disburse funds to participating school  
3 districts pursuant to such agreements and state and federal law.

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

7 (a) Finance activities within the medical services  
8 administration related to this project.

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

12 (c) Offset general fund costs associated with the medical  
13 services program.

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

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

24 Sec. 1697. (1) As may be allowed by federal law or regulation,  
25 the department may use funds provided by a local or intermediate  
26 school district, which have been obtained from a qualifying health  
27 system, as the state match required for receiving federal Medicaid

1 or children health insurance program funds. Any such funds received  
2 shall be used only to support new school-based or school-linked  
3 health services.

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

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

16 Sec. 1710. Any proposed changes by the department to the  
17 MIChoice home- and community-based services waiver program  
18 screening process shall be provided to the members of the house and  
19 senate appropriations subcommittees on community health 30 days  
20 prior to implementation of the proposed changes.

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

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

27 (b) Total expenditures for these services shall not exceed the

1 level of total payments made during fiscal year 2001-2002, after  
2 adjusting for Medicare copayments and deductibles and for changes  
3 in utilization.

4 (2) To ensure that total expenditures stay within the spending  
5 constraints of subsection (1)(b), the department shall develop a  
6 utilization adjustor for the basic 2-tier payment methodology. The  
7 adjustor shall be based on a good faith estimate by the department  
8 as to what the expected utilization of emergency room services will  
9 be during fiscal year 2008-2009, given changes in the number and  
10 category of Medicaid recipients. If expenditure and utilization  
11 data indicate that the amount and/or type of emergency physician  
12 professional services are exceeding the department's estimate, the  
13 utilization adjustor shall be applied to the 2-tier reimbursement  
14 methodology in such a manner as to reduce aggregate expenditures to  
15 the fiscal year 2001-2002 adjusted expenditure target.

16 Sec. 1716. The department shall seek to maintain a constant  
17 enrollment level within the Medicaid adult benefits waiver program  
18 throughout fiscal year 2008-2009.

19 Sec. 1717. (1) The department shall create 2 pools for  
20 distribution of disproportionate share hospital funding. The first  
21 pool, totaling \$45,000,000.00, shall be distributed using the  
22 distribution methodology used in fiscal year 2003-2004. The second  
23 pool, totaling \$5,000,000.00, shall be distributed to unaffiliated  
24 hospitals and hospital systems that received less than \$900,000.00  
25 in disproportionate share hospital payments in fiscal year 2003-  
26 2004 based on a formula that is weighted proportional to the  
27 product of each eligible system's Medicaid revenue and each

1 eligible system's Medicaid utilization.

2 (2) By September 30 of the current fiscal year, the department  
3 shall report to the senate and house appropriations subcommittees  
4 on community health and the senate and house fiscal agencies on the  
5 new distribution of funding to each eligible hospital from the 2  
6 pools.

7 Sec. 1718. The department shall provide each Medicaid adult  
8 home help beneficiary or applicant with the right to a fair hearing  
9 when the department or its agent reduces, suspends, terminates, or  
10 denies adult home help services. If the department takes action to  
11 reduce, suspend, terminate, or deny adult home help services, it  
12 shall provide the beneficiary or applicant with a written notice  
13 that states what action the department proposes to take, the  
14 reasons for the intended action, the specific regulations that  
15 support the action, and an explanation of the beneficiary's or  
16 applicant's right to an evidentiary hearing and the circumstances  
17 under which those services will be continued if a hearing is  
18 requested.

19 Sec. 1721. The department shall conduct a review of Medicaid  
20 eligibility pertaining to funds prepaid to a nursing home or other  
21 health care facility that are subsequently returned to an  
22 individual who becomes Medicaid eligible and shall report its  
23 findings to the members of the house and senate appropriations  
24 subcommittees on community health and the house and senate fiscal  
25 agencies not later than May 15 of the current fiscal year. Included  
26 in its report shall be recommendations for policy and procedure  
27 changes regarding whether any funds prepaid to a nursing home or

1 other health care facility that are subsequently returned to an  
2 individual, after the date of Medicaid eligibility and patient pay  
3 amount determination, shall be considered as a countable asset and  
4 recommendations for a mechanism for departmental monitoring of  
5 those funds.

6 Sec. 1722. (1) From the funds appropriated in part 1 for  
7 special Medicaid reimbursement payments, the department is  
8 authorized to make a disproportionate share payment of  
9 \$33,167,700.00 for health services provided by Hutzel Hospital.

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

13 Sec. 1728. The department shall make available to qualifying  
14 Medicaid recipients, not based on Medicare guidelines, freestanding  
15 electrical lifting and transferring devices.

16 Sec. 1731. The department shall continue an asset test to  
17 determine Medicaid eligibility for individuals who are parents,  
18 caretaker relatives, or individuals between the ages of 18 and 21  
19 and who are not required to be covered under federal Medicaid  
20 requirements.

21 Sec. 1733. The department shall seek additional federal funds  
22 to permit the state to provide financial support for electronic  
23 prescribing and other health information technology initiatives.

24 Sec. 1734. The department shall seek federal funds that will  
25 permit the state to provide financial incentives for positive  
26 health behavior practiced by Medicaid recipients. The structure of  
27 this incentive program may be similar to programs in other states



1 that authorize monetary rewards to be deposited in individual  
2 accounts for Medicaid recipients who demonstrate positive changes  
3 in health behavior.

4 Sec. 1739. The department shall continue to establish medical  
5 outcome targets for the 10 most prevalent and costly ailments  
6 affecting Medicaid recipients. The department may use indicators  
7 that recipients are successfully managing chronic disease, measures  
8 of recipient compliance with treatment plans, and studies of the  
9 proportion of Medicaid providers who follow established best  
10 practices in treating chronic disease as possible medical outcome  
11 target measures. The department shall make bonus payments,  
12 independent of HMO rate adjustments utilized in fiscal year 2005-  
13 2006, available to Medicaid HMOs that meet these outcome targets.

14 Sec. 1740. From the funds appropriated in part 1 for health  
15 plan services, the department shall assure that all GME funds  
16 continue to be promptly distributed to qualifying hospitals using  
17 the methodology developed in consultation with the graduate medical  
18 education advisory group during fiscal year 2006-2007.

19 Sec. 1741. The department shall continue to provide nursing  
20 homes the opportunity to receive interim payments upon their  
21 request. The department shall make efforts to ensure that the  
22 interim payments are as similar to expected cost-settled payments  
23 as possible.

24 Sec. 1742. The department shall allow the retention of  
25 \$1,000,000.00 in special Medicaid reimbursement funding by any  
26 public hospital that meets each of the following criteria:

27 (a) The hospital participates in the intergovernmental

1 transfers.

2 (b) The hospital is not affiliated with a university.

3 (c) The hospital provides surgical services.

4 (d) The hospital has at least 10,000 Medicaid bed days.

5 Sec. 1752. The department shall provide a Medicaid health plan  
6 with any information that may assist the Medicaid health plan in  
7 determining whether another party may be responsible, in whole or  
8 in part, for the payment of health benefits.

9 Sec. 1753. Upon passage of legislation, the department shall  
10 collect from auto insurers in this state on a monthly basis  
11 information necessary to enable the department to determine whether  
12 an individual who is receiving payments of medical expenses from  
13 the auto insurer is also a Medicaid recipient. For each individual  
14 that the department identifies under this section, the department  
15 shall submit a claim for payment to the auto insurer if a Medicaid  
16 payment has been made on behalf of the Medicaid recipient. The  
17 department shall consult with auto insurers in this state to  
18 establish a system by which information and claims shall be  
19 processed.

20 Sec. 1759. The department shall implement the following policy  
21 changes included in the federal deficit reduction act of 2005,  
22 Public Law 109-171:

23 (a) Lengthening the look back policy for asset transfers from  
24 3 to 5 years.

25 (b) Changing the penalty period to begin the day an individual  
26 applies for Medicaid.

27 (c) Individuals with more than \$500,000.00 in home equity do

1 not qualify for Medicaid.

2 (d) Utilize the Medicaid false claim act, 1977 PA 72, MCL  
3 400.601 to 400.613, to collect an enhanced state share of damages  
4 collected from entities that have been successfully prosecuted for  
5 filing a fraudulent Medicaid claim.

6 Sec. 1761. (1) The department shall distribute all funds  
7 recovered by the medical services administration from prior and  
8 future Medicaid access to care initiative payments exceeding the  
9 hospital upper payment limit for inpatient and outpatient services  
10 to a hospital that meets any of the following characteristics:

11 (a) Is located in a rural county as determined by the most  
12 recent United States census or is located in a city or a village or  
13 township with a population of not more than 12,000 in a county with  
14 a population with not more than 70,000 as of the official federal  
15 2000 decennial census.

16 (b) Is a Medicare sole community hospital.

17 (c) Is a Medicare dependent hospital and rural referral center  
18 hospital.

19 (2) The distribution under subsection (1) shall be based upon  
20 each hospital's Medicaid fee-for-service and HMO payments as  
21 developed in consultation with rural hospitals and the Michigan  
22 health and hospital association.

23 Sec. 1764. The department shall annually certify rates paid to  
24 Medicaid health plans as being actuarially sound in accordance with  
25 federal requirements and shall provide a copy of the rate  
26 certification and approval immediately to the house of  
27 representatives and senate appropriations subcommittees on

1 community health and the house and senate fiscal agencies.

2       Sec. 1767. The department shall study and evaluate the impact  
3 of the change in the way in which the Medicaid program pays  
4 pharmacists for prescriptions from average wholesale price to  
5 average manufacturer price as required by the federal deficit  
6 reduction act of 2005, Public Law 109-171. By March 1 of the  
7 current fiscal year, the department shall submit a report, upon  
8 release of the data from the center for Medicare and Medicaid  
9 services, of its study to the senate and house appropriations  
10 subcommittees on community health and the senate and house fiscal  
11 agencies. If the department finds that there is a negative impact  
12 on the pharmacists, the department shall reexamine the current  
13 pharmaceutical dispensing fee structure established under section  
14 1620 and include in the report recommendations and proposals to  
15 counter the negative impact of that federal legislation.

16       Sec. 1770. In conjunction with the consultation requirements  
17 of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and  
18 except as otherwise provided in this section, the department shall  
19 attempt to make the effective date for a proposed Medicaid policy  
20 bulletin or adjustment to the Medicaid provider manual on October  
21 1, January 1, April 1, or July 1 after the end of the consultation  
22 period. The department may provide an effective date for a proposed  
23 Medicaid policy bulletin or adjustment to the Medicaid provider  
24 manual other than provided for in this section if necessary to be  
25 in compliance with federal or state law, regulations, or rules or  
26 with an executive order of the governor.

27       Sec. 1772. From the funds appropriated in part 1, the

1 department shall continue a program, the primary goal of which is  
2 to enroll all children in foster care in Michigan in a Medicaid  
3 health maintenance organization.

4 Sec. 1773. The department shall establish and implement a bid  
5 process to identify a single private contractor to provide Medicaid  
6 covered nonemergency transportation services in each county with a  
7 population over 750,000 individuals.

8 Sec. 1775. (1) The department shall study the feasibility of  
9 using managed care to deliver Medicaid long-term care services. The  
10 study shall focus upon the following:

11 (a) If there is a sufficient number of organizations  
12 interested in providing these services.

13 (b) The extent of services provided through Medicaid managed  
14 long-term care.

15 (c) Estimated changes in Medicaid long-term care expenditure  
16 associated with implementing managed care for these services.

17 (2) The department shall report the results of this study to  
18 the senate and house appropriations subcommittees on community  
19 health and the senate and house fiscal agencies by June 1 of the  
20 current fiscal year.

21 Sec. 1776. If the department continues to utilize the Medicare  
22 outpatient prospective payment system methodology to reimburse  
23 hospitals for Medicaid clients seen in the outpatient setting  
24 including the emergency room, then the Medicaid reduction factor  
25 utilized by the department to compute the amount of payment made by  
26 Medicaid health plans to hospitals must be revenue neutral and  
27 actuarially sound.

1       Sec. 1780. If congressional action results in an increase in  
2 Michigan's federal medical assistance percentage in fiscal year  
3 2008-2009, it is the intent of the legislature that a portion of  
4 this new funding be used to augment physician primary care codes  
5 fee screens and hospital neonatal and pediatric intensive care unit  
6 payments.

7       Sec. 1783. Effective October 1, 2008, the department shall  
8 permit the enrollment of individuals dually eligible for Medicare  
9 and Medicaid into Medicaid health plans if those health plans also  
10 maintain a Medicare advantage special needs plan certified by the  
11 centers for Medicare and Medicaid services.

12       Sec. 1788. (1) From the funds appropriated in part 1 for adult  
13 home help services, \$2,768,700.00 is allocated to establish a home  
14 help health care trust.

15       (2) Funds from the trust shall be used to provide health care  
16 benefits to home help workers in cooperation with the Michigan  
17 quality community care council.

18       Sec. 1791. (1) From the money appropriated in part 1 for  
19 physician services, \$100.00 shall be allocated to increase Medicaid  
20 reimbursement rates for primary care and well child visit procedure  
21 codes. The increased reimbursement rates in this section shall be  
22 implemented October 1, 2008 and shall not exceed the comparable  
23 Medicare payment rate for the same services.

24       (2) The money allocated under subsection (1) shall be  
25 distributed as a fee for service rate increase for primary care  
26 procedure codes and for well child visit procedure codes.

27       (3) By October 1, 2008, the department shall provide a report

1 to the house and senate appropriations subcommittees on community  
2 health and the house and senate fiscal agencies that identifies the  
3 specific procedure codes affected by this section and the amount  
4 and percentage increase provided for each procedure code.

5 Sec. 1796. The department shall direct the health information  
6 technology commission to examine strategies that promote the  
7 ability to share medical records. The department shall report the  
8 commission's findings by July 1, 2009.

9 Sec. 1800. The department may develop appropriate protocol to  
10 ensure that no interchange of an immunosuppressant drug or  
11 formulation of an immunosuppressant drug, brand or generic, for the  
12 treatment of a Medicaid patient following a transplant occurs  
13 without prior notification and consent to the interchange from both  
14 the prescribing practitioner and the Medicaid patient.

15 Sec. 1805. From the funds appropriated in part 1 for personal  
16 care services, beginning October 1, 2008, the department shall  
17 increase the monthly Medicaid personal care supplement paid to  
18 adult foster care facilities and homes for the aged that provide  
19 personal care services to Medicaid beneficiaries by \$8.00.

20 Sec. 1806. From the funds appropriated in part 1 for the  
21 county indigent care and third share plans, \$100.00 shall be  
22 allocated for the expansion of county health plans.

23 Sec. 1807. (1) The department may convene a workgroup to  
24 evaluate and report on the feasibility of establishing a Medicaid  
25 payment mechanism for the reimbursement of mental health services  
26 by primary care physicians.

27 (2) The department may report the findings of this workgroup

1 to the house and senate appropriations subcommittees on community  
2 health and the house and senate fiscal agencies by April 1, 2009.

3       Sec. 1808. From the funds appropriated in part 1 for ambulance  
4 services, \$100.00 shall be allocated for an ambulance quality  
5 assurance assessment program.