

**FY 2012-13: DEPARTMENT OF COMMUNITY HEALTH**  
**Summary: House Subcommittee Recommendation**  
**House Bill 5378 (H-1) Draft 2**



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	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$7,241,200	\$10,023,800	\$10,023,800			\$2,782,600	38.4
<b>Federal</b>	9,274,293,000	9,740,485,300	9,686,137,800			411,844,800	4.4
<b>Local</b>	257,851,000	257,280,100	256,951,300			(899,700)	(0.4)
<b>Private</b>	96,499,200	93,264,000	93,364,000			(3,135,200)	(3.3)
<b>Restricted</b>	2,031,475,500	2,146,562,200	2,146,538,500			115,063,000	5.7
<b>GF/GP</b>	2,975,227,400	2,847,864,700	2,825,781,700			(149,445,700)	(5.0)
<b>Gross</b>	<b>\$14,642,587,300</b>	<b>\$15,095,480,100</b>	<b>\$15,018,797,100</b>			<b>\$376,209,800</b>	<b>2.6</b>
<b>FTEs</b>	3,640.2	3,613.9	3,535.6			(104.6)	(2.9)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time. (3) FTE positions for the Executive Budget Bill were overstated by 63.3.

**Overview**

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

**Executive Part 1 Appropriations:** The Executive proposes to roll-up the budget into 8 appropriation line items, a reduction from 131 line items in the current year budget. The House does not concur with the rollups.

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>			
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$18,595,400</b>
The House concurs with the Executive to include a net increase of \$18.6 million Gross (\$7.2 million GF/GP) to finance negotiated salary and wage increases, actuarially-required retirement rate increases, reduced employer health insurance costs due to 20% employee contribution, and economic adjustments for worker's compensation, building occupancy and rent, food, and gas, fuel, and utility costs for FY 2012-13.	IDG	N/A	(54,500)
	Federal	N/A	3,933,200
	Restricted	N/A	325,500
	Local	N/A	7,183,800
	Private	N/A	(600)
	GF/GP	N/A	\$7,208,000
	<b>FTE</b>	<b>N/A</b>	<b>(88.3)</b>
<b>2. FY 2011-12 Contingency Plan Savings</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$12,176,400)</b>
The House concurs with the Executive to recognize FY 2011-12 contingency plan savings of \$12.2 million Gross (\$6.1 million GF/GP) which is achieved by eliminating 88.3 funded and vacant FTE positions throughout the Department, reducing travel costs, and eliminating contracts.	Federal	N/A	(3,034,400)
	Restricted	N/A	(304,600)
	Local	N/A	(2,776,500)
	GF/G	N/A	(\$6,060,900)
<b>3. FY 2012-13 State Employees One-Time Lump Sum Payments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$4,285,300</b>
The House concurs with the Executive to authorize one-time only allocation of \$4.3 million Gross (\$2.6 million GF/GP) for negotiated one-time lump sum payments to state employees. However, the authorization for the lump sum payments is included in a new appropriation unit entitled "Sec. 121. ONE-TIME BASIS ONLY" rather than boilerplate language (Section 1901).	IDG	N/A	19,700
	Federal	N/A	1,279,400
	Restricted	N/A	263,500
	Local	N/A	150,400
	Private	N/A	800
	GF/GP	N/A	\$2,571,500

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change	
<b>4. Community Health Automated Medicaid Processing System (CHAMPS) Funding</b>		<b>Gross</b>	<b>\$25,723,700</b>	<b>(\$8,922,600)</b>
The House does not concur with the Executive to add full-year funding of \$13.4 million Gross (\$5.9 million GF/GP) for CHAMPS. The House concurs with the Executive to include savings of \$8.9 million Gross (\$1.2 million GF/GP) due to the completion of the federal Health Insurance Portability and Affordability Act (HIPAA) 5010 project which required enhancements related to the Medicaid claims processing system. Also, the House does not concur with the Executive to authorize FY 2012-13 one-time allocation of \$40.0 million Gross (\$4.0 million GF/GP) through boilerplate language (Section 4-1901) for CHAMPS to implement medical codes for diagnosis and inpatient procedures (ICD 10) as required by federal law.		Federal	22,889,000	(7,768,000)
		GF/GP	\$2,834,700	(\$1,154,600)
<b>5. Family Support Subsidy Program</b>		<b>Gross</b>	<b>\$19,470,500</b>	<b>(\$309,500)</b>
The House concurs with the Executive to remove excess FY 2011-12 TANF revenue authorization of \$500,000 from the Family Support Subsidy Program which provides \$222.11 monthly payment to an average of 7,159 income-eligible families with a child under age 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic. The reduction for this program is offset with an increase of \$190,500 in TANF revenue anticipating a 1.0% caseload increase in FY 2012-13.		Federal	19,470,500	(309,500)
		GF/GP	\$0	\$0
<b>6. Actuarially Sound Capitation Payment Rates Adjustment</b>		<b>Gross</b>	<b>\$6,490,537,900</b>	<b>\$75,148,000</b>
The House concurs with the Executive to include a capitation rate increase of 1.5% for Health Plans and 1.25% for Prepaid Inpatient Health Plans (PIHPs) to ensure that payment rates for these managed care entities are actuarially sound in FY 2012-13. This adjustment results in an additional \$75.1 million Gross (\$25.3 million GF/GP) for the Medicaid Mental Health Services, Medicaid Substance Abuse Services, and Health Plan Services line items.		Federal	4,293,335,900	49,890,800
		Restricted	1,159,708,900	0
		Local	38,931,800	0
		GF/GP	\$998,561,300	\$25,257,200
<b>7. Mental Health Services for Special Populations</b>		<b>Gross</b>	<b>\$8,842,800</b>	<b>\$0</b>
The House does not concur with the Executive to eliminate the FY 2011-12 one-time only allocation of \$3.0 million GF/GP provided for in Section 1901 of PA 63 of 2011, Article IV for mental health services for special populations. The one-time funding is included in a new appropriation unit entitled "Sec. 121. ONE-TIME BASIS ONLY". The funding would be allocated as follows: \$250,000 for Hispanic/Latino Commission within the Department of Civil Rights; \$700,000 for ACCESS; \$700,000 for Arab/Chaldean; \$650,000 for Chaldean Chamber Foundation; and \$700,000 for Michigan Jewish Federation.		GF/GP	\$8,842,800	\$0
<b>8. Children with Serious Emotional Disturbance Waiver</b>		<b>Gross</b>	<b>\$8,188,000</b>	<b>\$4,463,000</b>
The House concurs with the Executive to increase funding for the Children with Serious Emotional Disturbance Program by \$4.5 million Gross (\$0 GF/GP), enabling the Department to serve additional children eligible for the federal waiver program in which community mental health services programs (CMHSPs) provide home and community-based mental health services. Currently, 12 CMHSPs in eighteen counties provide services for up to 357 children.		IDG	2,769,000	500,000
		Federal	5,419,000	3,963,000
		GF/GP	\$0	\$0
<b>9. Pharmacy Inflationary Adjustment for State Psychiatric Hospitals and Center for Forensic Psychiatry</b>		<b>Gross</b>	<b>\$257,696,200</b>	<b>\$0</b>
The House does not concur with the Executive to include 5.0% inflationary adjustment for pharmacy costs at state-operated psychiatric hospitals and the Center for Forensic Psychiatry which equates to an increase of \$793,300 Gross (\$401,300 GF/GP) in funding for these facilities.		Federal	29,426,200	0
		Restricted	15,240,900	0
		Local	17,494,500	0
		GF/GP	\$195,534,600	\$0

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 Year-to-Date (as of 2/9/12)</b>	<b>FY 2012-13 House Change</b>
<b>10. Healthy Michigan Fund Programs</b>		<b>Gross</b>	<b>\$37,175,900 (\$2,853,400)</b>
<i>Healthy Michigan Fund (HMF) changes</i> - Concurs with the Executive on all HMF changes including reduce Medicaid appropriation of HMF by \$2.5 million to \$26.7 million and replace with \$2.5 million GF/GP to reflect decline in HMF revenue, and rename HMF Program line item to Health and Wellness Initiatives.		Restricted	34,175,900 (2,355,900)
<i>HMF Programs One-Time Basis Only Funding</i> - Does not concur with the Executive to continue \$3.0 million of one-time basis only funding for HMF Program line item prevention projects under the new line item name.		GF/GP	\$3,000,000 (\$497,500)
<b>11. New Wellness 4x4 Initiative</b>		<b>Gross</b>	<b>\$0 \$0</b>
Does not concur with the Executive on new funding of \$2.25 million GF/GP for a new community-based collaborative public health program to address obesity, focusing on 4 healthy behaviors and 4 key health measures (\$1.0 million ongoing, \$1.25 million one-time basis only).		GF/GP	\$0 \$0
<b>12. New Children's Physical Health Initiative</b>		<b>Gross</b>	<b>\$0 \$1,000,000</b>
House provides \$1.0 million GF/GP for a new initiative to address childhood obesity with a before- and after-school physical health pilot program that incorporates evidence-based best practices. Related boilerplate Sec. 654.		GF/GP	\$0 \$1,000,000
<b>13. Primary Care Services</b>		<b>Gross</b>	<b>\$3,195,900 (\$300,000)</b>
Concurs with the Executive and does not continue one-time basis only funding of \$300,000 GF/GP for island health clinics. Does not concur with the Executive to restore primary care disproportionate share (DSH) funding of \$330,200 Gross (\$111,000 GF/GP) for Bronson Methodist Hospital supporting primary care services.		Federal	1,870,300 0
		GF/GP	\$1,325,600 (\$300,000)
<b>14. Laboratory Services One-Time Equipment Funding</b>		<b>Gross</b>	<b>\$0 \$0</b>
Does not concur with the Executive to provide new one-time basis only appropriation of \$200,000 for replacement of outdated laboratory equipment and supplies in FY 2012-13.		GF/GP	\$0 \$0
<b>15. Bioterrorism Preparedness</b>		<b>Gross</b>	<b>\$49,286,900 (\$14,519,100)</b>
Reflects decline in funding from federal grants for public health and hospital preparedness and response for bioterrorism, and completion of grants for H1N1 pandemic flu, with a reduction of \$14.5 million, as recommended by the Executive.		Federal	49,286,900 (\$14,519,100)
		GF/GP	\$0 \$0
<b>16. Traumatic Brain Injury Treatment Model Project</b>		<b>Gross</b>	<b>\$0 \$0</b>
House does not concur with the Executive to restore \$200,000 gross (\$100,000 GF/GP) funding for use of EBM Care, Inc. traumatic brain injury treatment interactive software at 4 trauma hospitals. Program was last funded in FY 2010-11 but funds were not expended. This funding is included in a supplemental recommendation for FY 2011-12 in HB 4289.		Federal	0 0
		GF/GP	\$0 \$0
<b>17. Maternal and Infant Home Visiting Program</b>		<b>Gross</b>	<b>\$2,200,000 \$2,107,200</b>
Recognizes \$2.1 million increased funds from the Maternal, Infant and Early Childhood Home Visiting federal program grant authorized under the Patient Protection and Affordable Care Act, as recommended by the Executive.		Federal	2,200,000 2,107,200
		GF/GP	\$0 \$0
<b>18. One-Time Funding for Infant Mortality</b>		<b>Gross</b>	<b>\$0 \$0</b>
Does not concur with the Executive on new one-time funding of \$750,000 GF/GP for maternal and child health and infant mortality programming.		GF/GP	\$0 \$0
<b>19. New 2-Year Alternative Home Visit Support Program</b>		<b>Gross</b>	<b>\$0 \$2,000,000</b>
House provides \$2.0 million federal TANF funding for a new initiative planned for 2 years for a real alternatives pregnancy and parenting support services program as a pilot project to provide enhanced counseling and support for women during pregnancy through 12 months after birth. Related boilerplate Sec. 1136.		Federal	0 2,000,000
		GF/GP	\$0 \$0

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 Year-to-Date (as of 2/9/12)</b>	<b>FY 2012-13 House Change</b>
<b>20. New 2-Year Enhanced Support for Nurse Family Partnership</b>		<b>Gross</b>	<b>\$0</b>
House provides \$1.0 million federal TANF funding for a new initiative planned for 2 years to enhance support and education for the nurse family partnership (NFP) program including strategic planning and awareness for a Detroit-based NFP. Related boilerplate Sec. 1137.		Federal	0
		GF/GP	\$0
			<b>\$1,000,000</b>
<b>21. Aging Services to Support Community Living</b>		<b>Gross</b>	<b>\$35,314,400</b>
Does not concur with the Executive on the following GF/GP increases: \$500,000 to expand community living options counseling, \$250,000 for community support for persons providing care for family members with Alzheimer's Disease or dementia, and \$350,000 to expand elder abuse prevention programs (\$100,000 ongoing and \$250,000 one-time basis only). (Community Services line item funding shown).		Federal	22,880,900
		Private	200,000
		GF/GP	\$12,233,500
			<b>\$0</b>
<b>22. Cochlear Implant Policy Change</b>		<b>Gross</b>	<b>\$0</b>
The House does not concur with the Executive's plan to increase the Department's budget by \$560,000 Gross (\$188,900 GF/GP) reflecting annualized FY 2011-12 costs due to a change in State Medicaid policy including cochlear implants for both ears rather than just one ear. The appropriation lines affected are Medical Care and Treatment, Physician Services and Auxiliary Medical Services.		Federal	0
		GF/GP	\$0
			<b>\$0</b>
<b>23. Electronic Health Records Incentive Program</b>		<b>FTEs</b>	<b>0.0</b>
The House concurs with the Executive to increase the Electronic Health Records Incentive Program line by \$24.7 million Gross (reduces GF/GP \$60,800) and makes a technical adjustment by incorporating 24.0 FTEs. The FY 2011-12 base authorization of \$119.4 million Gross included funding for administration for the program but no FTEs. All of the FY 2012-13 authorization is for electronic health record (EHR) incentive payments. The Department of Community Health will provide incentive payments to eligible professionals, eligible hospitals and critical access hospitals as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology. An EHR is an electronic record of patient health information generated by one or more encounters in any care delivery setting.		<b>Gross</b>	<b>\$119,388,800</b>
		Federal	117,989,900
		GF/GP	\$1,398,900
			<b>\$24,692,600</b>
			<b>\$24,753,400</b>
			<b>(\$60,800)</b>
<b>24. Medicaid Cost Increases</b>		<b>Gross</b>	<b>\$11,763,656,400</b>
The House concurs with the Executive to include an increase for FY 2012-13 of \$263.3 million Gross (\$93.2 million GF/GP) to cover Medicaid caseload, utilization and inflation changes within Medical Services, Mental Health/Substance Abuse, Children's Special Health Care Services and Federal Medicare Prescription programs. Also recognizes an anticipated FY 2011-12 Medicaid caseload, utilization and inflation adjustment, which is included as a FY 2012-13 base reduction, reducing various Medicaid appropriation lines by \$148.0 million Gross (\$47.5 million GF/GP). The increase for FY 2013-14 Medicaid caseload, utilization and inflation is projected to be \$379.4 million Gross (\$128.3 million GF/GP).		Federal	7,832,698,100
		Local	52,469,400
		Private	2,100,000
		Merit Awd	82,275,800
		Restricted	1,865,496,800
		GF/GP	\$1,928,616,300
			<b>\$45,808,800</b>
<b>25. Dual Eligibles to Managed Care</b>		<b>Gross</b>	<b>N/A</b>
The House increases expected savings by \$10.0 million Gross (\$3.4 GF/GP) from shifting individuals who are eligible for both Medicare and Medicaid (dual eligibles) from fee-for-service to an integrated managed care system. The FY 2011-12 anticipated savings in the amount of \$29.8 million Gross (\$10.0 million GF/GP) given a start date of April 1, 2012. The FY 2011-12 savings apparently will not be realized and are once again included in the FY 2012-13 Executive Recommendation with a program start date of April 1, 2013. There was no net change from FY 2011-12 to FY 2012-13 in the Executive recommendation.		Federal	N/A
		GF/GP	N/A
			<b>\$10,000,000</b>
			<b>6,639,000</b>
			<b>\$3,361,000</b>
<b>26. Graduate Medical Education</b>		<b>Gross</b>	<b>\$153,465,900</b>
The House concurs with Executive's continuation of the reduction of \$31.8 million Gross made to the Graduate Medical Education (GME) program in FY 2011-12. The Executive does not continue the FY 2011-12 Sec. 1901 "one-time basis only" funding for GME of \$17.1 million Gross, but the House does fund the one-time unit at \$18.0 million Gross (\$6.1 million GF/GP)		Federal	101,502,300
		GF/GP	\$51,963,600
			<b>\$859,000</b>
			<b>600,000</b>
			<b>\$289,000</b>

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 Year-to-Date (as of 2/9/12)</b>	<b>FY 2012-13 House Change</b>
<b>27. Primary Care Physician Rate Increase</b>	<b>Gross</b>	<b>N/A</b>	<b>\$281,800,000</b>
The House concurs with the Executive in recognizing an increase of \$281.8 million of federal funds that will be available to provide an increase in the reimbursement rates for primary care doctors, family doctors and pediatricians up to 100% of Medicare rates. Not included in the rate increase are nurse practitioners, physician assistants and OB/GYNs. This reimbursement level change is a requirement of the Affordable Care Act of 2010 and is entirely federally funded.	Federal	N/A	281,800,000
	GF/GP	N/A	\$0
<b>28. Include Behavioral Health Drugs On Preferred Drug List</b>	<b>Gross</b>	<b>\$338,717,500</b>	<b>\$0</b>
Savings of \$18.7 million gross (\$6.3 million GF/GP) were removed from the Pharmaceutical Services line in FY 2011-12 as a result of including behavioral health drugs on the preferred drug list. The FY 2011-12 savings apparently will not be realized and are once again included in the FY 2012-13 Executive Recommendation and the House concurs. There is no net change from FY 2011-12 to FY 2012-13. A statutory change would be required to realize these savings.	Federal	222,861,200	0
	GF/GP	\$115,856,300	\$0
<b>29. Healthy Kids Dental Expansion</b>	<b>Gross</b>	<b>N/A</b>	<b>\$7,910,400</b>
The Executive included the first one-quarter of a 4 year plan to phase-in statewide coverage for the Healthy Kids Dental program by increasing the budget \$25.0 million Gross (\$8.4 million GF/GP). The expansion would include, but is not limited to, parts of several large urban counties including Kent, Oakland, Macomb and Wayne. Areas with the greatest dental service need would be the highest priority for program expansion. The House includes \$7.9 million Gross (\$2.7 million GF/GP) for an expansion.	Federal	N/A	5,251,700
	GF/GP	N/A	\$2,658,700
<b>30. Airport Parking Tax Deposit to MBTF</b>	<b>Gross</b>	<b>\$105,877,700</b>	<b>\$0</b>
The House concurs with the Executive's replacement of \$6.7 million of funding received from Wayne County for support of the Medicaid Adult Benefits Waiver program with a like amount of revenue from the Medicaid Benefits Trust Fund (MBTF). For many years Wayne County has provided the Department Wayne's portion of the Airport Parking Tax which the Department uses for support of the Medicaid Adult Benefits Waiver program. This change would eliminate the Airport Parking fee payment to Wayne County and the subsequent payment back to the State of Michigan by simply directing Wayne County's portion of the Airport Parking Tax to the Medicaid Benefits Trust Fund. Legislation would be necessary to make this adjustment and is anticipated in FY 2011-12.	Federal	70,027,300	0
	Local	6,653,800	(6,653,800)
	Restricted	6,100,000	6,653,800
	GF/GP	\$23,096,600	\$0
<b>31. Medicaid Estate Recovery Program</b>	<b>Gross</b>	<b>\$1,686,454,600</b>	<b>\$0</b>
Savings of \$16.6 million Gross (\$5.6 million GF/GP) were removed from the Long-Term Care Services line in FY 2011-12 representing savings generated by strengthening statutory changes to the existing Medicaid long-term care estate recovery law. The FY 2011-12 savings apparently will not be realized and are once again included in the FY 2012-13 Executive Recommendation and the House concurs. There is no net change from FY 2011-12 to FY 2012-13.	Federal	1,133,338,700	0
	Merit Awd	82,275,800	0
	Restricted	256,925,600	0
	Local	6,618,800	0
	GF/GP	\$207,295,700	\$0
<b>32. MIChoice Program Adjustments</b>	<b>Gross</b>	<b>\$229,921,000</b>	<b>\$7,500,000</b>
The House and Executive increase the Medicaid Home- and Community-Based Services Waiver line by \$14.1 million Gross (\$4.8 million GF/GP) to recognize additional transitions from nursing homes and the reduction in the waiting list for the MIChoice program. The Long-Term Care Services line is reduced \$6.6 million Gross (\$1.5 million GF/GP) recognizing savings and transition costs.	Federal	146,177,400	4,143,300
	Local	265,000	0
	Private	2,100,000	0
	GF/GP	\$81,378,600	\$3,356,700
<b>33. PACE Program Adjustments</b>	<b>Gross</b>	<b>\$30,707,800</b>	<b>\$0</b>
The House concurs with the Executive proposed increase of the Program for All-Inclusive Care for the Elderly (PACE) line item by \$4.1 million Gross (\$1.4 million GF/GP) bringing the existing PACE programs up to capacity(\$2.5 million) and adding a Berrien County PACE program (\$1.6 million). Both actions are funded by a reduction to the Long-Term Care Services line in the amount of the PACE increases.	Federal	20,310,200	0
	GF/GP	\$10,397,600	\$0

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 Year-to-Date (as of 2/9/12)</b>	<b>FY 2012-13 House Change</b>
<b>34. Autism Spectrum Disorder Coverage</b>	<b>Gross</b>	<b>\$0</b>	<b>\$34,061,200</b>
The House includes the Executive's increase of \$34.1 million Gross (\$10.1 million GF/GP) to fund autism spectrum disorder treatment for Medicaid and MICHild eligible children. Original Executive boilerplate language had indicated that services would be provided to children up to the age of six and later the language was informally modified up to the age of 18 years of age. The House stipulates coverage for those aged 2 through 5. The Executive created a new line "Autism Services" authorized at \$20.5 million Gross (\$6.9 million GF/GP), with the House renaming the line "Essential services to children age 2-5". The House and Executive agree to add funding to the MICHild line of \$13.5 Gross (\$3.2 million GF/GP).	Federal	0	23,978,200
	GF/GP	\$0	\$10,083,000
<b>35. Use Tax Adjustment</b>	<b>Gross</b>	<b>\$201,057,300</b>	<b>(\$201,057,300)</b>
The House concurs with the Executive reversing the FY 2011-12 supplemental PA 278 of 2011 that provided use tax (GF/GP) funding, which corrected authorization necessary to implement the State's final Health Insurance Claim Assessment (HICA) legislation. The Department budget is reduced \$201.1 million Gross (\$167.3 million GF/GP).	Federal	132,979,300	(132,979,300)
	Restricted	(99,214,200)	99,214,200
	GF/GP	\$167,292,200	(\$167,292,200)
<b>36. School-Based Services</b>	<b>Gross</b>	<b>\$91,296,500</b>	<b>\$40,206,200</b>
The House concurs with the Executive increase of the School-Based Services line by \$40.2 million federal funding representing Michigan school district's 60% portion of the federal Medicaid funds earned by the school district match. The other 40% of federal funding (\$26.8 million) is retained by the State and is used to offset GF/GP in the Medicare Premium Payments line.	Federal	152,160,800	67,010,300
	GF/GP	(\$60,864,300)	(\$26,804,100)
<b>37. Hospital Uncompensated Care Payments - One-Time</b>	<b>Gross</b>	<b>\$29,533,400</b>	<b>(\$19,533,400)</b>
The House concurs with the Executive in the discontinuation of a rural and sole community hospitals payment pool of \$29.5 million Gross (\$10.0 million GF/GP). However, the House includes a new appropriation line within the new One-Time Basis Only unit entitled "Outstate Hospital Uncompensated Care - Disproportionate Share Hospital Payment" funded at \$10.0 million Gross (\$3,361,000 GF/GP). Boilerplate Sec. 1904 provides the parameters of the funding distribution.	Federal	19,533,400	(12,894,400)
	GF/GP	\$6,639,000	(\$6,639,000)
<b>38. One-Time Appropriations</b>	<b>Gross</b>	<b>NA</b>	<b>NA</b>
House does not concur with the Executive on most one-time appropriations. House moves all one-time basis only appropriations from Sec. 1901 boilerplate to Part 1 of the bill as a separate appropriation unit that is now included in the Sec. 101 Appropriation Summary. House proposes \$35.3 million Gross (\$15.0 million GF/GP) of one-time basis only appropriations concurring with the Executive on one funded item and two defunded items. All one-time basis only appropriation items are discussed above throughout the Major Budget Changes section of this document.	GF/GP	NA	NA
<b>39. Anticipated FY 2013-14 Budget Changes</b>			
Reflects FY 2013-14 anticipated increase from FY 2012-13 budget of \$391.6 million Gross (\$147.2 million GF/GP):			
<ul style="list-style-type: none"><li>\$379.4 Gross (\$128.3 million GF/GP) for Medicaid caseload/utilization/inflation costs</li><li>\$0 Gross (\$15.1 million GF/GP) for the replacement of state restricted revenue shortfalls with general fund/general purpose</li><li>\$7.9 million Gross (\$2.7 million GF/GP) for phase-in of Healthy Kids dental expansion</li><li>\$4.3 million Gross (\$1.1 million GF/GP) for active and early retiree insurance and pension costs</li></ul>			

(Boilerplate intent language only; would not be binding appropriation.)

## **Major Boilerplate Changes From FY 2011-12**

### **Executive Boilerplate Deletions**

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2011-12 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted. For the Department of Community Health, the Executive deletes 97 of 146 boilerplate sections.

## **Major Boilerplate Changes From FY 2011-12**

### **GENERAL SECTIONS**

#### ***Sec. 213. Report on Tobacco and Healthy Michigan Funds – REVISED***

Requires state departments, agencies, and commissions receiving tobacco tax and Healthy Michigan funds to report on programs utilizing these funds by April 1, 2013, to the House and Senate Appropriations Committees, House and Senate Fiscal Agencies, and State Budget Director.

#### ***Sec. 287. General Fund/General Purpose Lapses - REVISED***

Requires DCH to report on the estimated general fund/general purpose appropriations lapses at the close of the previous fiscal year by no later than November 15, 2012.

#### ***Sec. 297. Statewide Office Space Consolidation Plan - NEW***

Expresses Legislature's intent that all principal executive departments and agencies cooperate with the development and implementation of the department of technology, management, and budget statewide office space consolidation.

### **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS BEHAVIORAL HEALTH SERVICES**

#### ***Sec. 401. Comprehensive System of CMH Services - DELETED***

Provides that Part 1 appropriated funds are to support a comprehensive system of CMH services under the full authority and responsibility of local CMHSPs or PIHPs. Requires that DCH ensure each CMHSP or PIHP provides a complete array of mental health services, coordination of inpatient and outpatient hospital services, individualized plans of services, a case or care management system, and a system that serves at-risk and delinquent youth pursuant to provisions of the Mental Health Code, 1974 PA 258, MCL 330.1001 to 330.2106.

#### ***Sec. 404. Report on CMHSPs - REVISED***

Requires DCH to report by May 31, 2013 on the following for CMHSPs or PIHPs: expenditures and services data, information about access to CMHSPs, lapses and carry-forwards during FY 2010-11, information on the CMH Medicaid managed care program, performance indicator information required to be submitted to DCH in contracts with CMHSPs or PIHPs, and an estimate of the number of mental health direct care workers.

#### ***Sec. 406. Appropriation for State Disability Assistance Substance Abuse Services Program - RETAINED***

Requires funds appropriated for the state disability assistance substance abuse services program be used to support per diem and board payments in substance abuse residential facilities. Requires DCH to reimburse all eligible licensed substance abuse programs at a rate equivalent to that paid by DHS to adult foster care providers.

#### ***Sec. 408. Report on Substance Abuse Prevention, Education, and Treatment Programs - REVISED***

Requires DCH to report by April 1, 2013, on expenditures and services data on substance abuse prevention, education, and treatment programs for FY 2011-12.

#### ***Sec. 418. Monthly Report on Medicaid Managed Mental Health Program - RETAINED***

Requires DCH to report on the amount of funding paid to PIHPs to support the Medicaid managed mental health program in the preceding month including total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, number of cases in each eligibility group, and year-to-date summary of eligibles and expenditures.

#### ***Sec. 492. Mental Health Services to County Jail Inmates - RETAINED***

Does not allow the Department to prohibit the use of GF/GP dollars by CMHSPs to provide mental health services to inmates of a county jail if a CMHSP has entered into an agreement with a county or county sheriff.

#### ***Sec. 498. Effectiveness of Substance Use Disorders Treatment Programs - NEW***

Requires DCH to use standard program evaluation measures to assess the effectiveness of treatment programs for substance use disorders provided through coordinating agencies and service providers in reducing and preventing the incidence of substance use disorders which include abuse of alcohol, marijuana, heroin, opiates, illicit methadone, cocaine, crack, and methamphetamine.

### **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

#### ***Sec. 608. Privatization of Food and Custodial Services - RETAINED***

Allows DCH, in consultation with the Department of Technology, Management and Budget, to maintain a bid process to identify 1 or more private contractors to provide food and custodial services for the administrative areas at any state hospital identified by DCH as capable of generating savings through the outsourcing of those services.

### **HEALTH POLICY**

#### ***Sec. 704. Emergency Medical Services (EMS) Grantees and Contractors - RETAINED***

Requires DCH to continue to work with EMS grantees funded from Part 1 appropriations to ensure that a sufficient number of qualified EMS personnel exist to serve rural areas of the state.

#### ***Sec. 715. Options for Incentivizing Primary Care Medical School Students to Stay in Michigan - NEW***

Requires DCH to evaluate options for incentivizing students attending medical schools in Michigan to meet their primary care residency requirements in Michigan and to practice in Michigan.

## **Major Boilerplate Changes From FY 2011-12**

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

#### ***Sec. 1004. Cancer Rate Investigations - RETAINED***

Establishes legislative intent that DCH continue to collaborate with St. Clair County and the City of Detroit's southwest community to investigate and evaluate cancer rates.

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

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

Establishes continuance of reporting for language that requires DCH to annually report an estimate of public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and to report demographics collected by DCH that are self-reported by individuals utilizing those services.

#### ***Sec. 1104. Department Report Regarding Certain Pregnancy Planning and Prenatal Programs - RETAINED***

Requires DCH to report by April 1 on funding allocations, breakdown of expenditures by urban and rural, and prior fiscal year service and expenditure data for the local maternal and child health, prenatal care, family planning, and pregnancy prevention programs. DCH must ensure that needs of rural communities are considered in distribution of funds for these programs. Defines "rural" entity as having a population of 30,000 or less.

#### ***Sec. 1108. Restrictions on Use of Pregnancy Prevention Funding - CURRENT LAW***

Revises language to also prohibit family planning local agreements line item funds from being used for abortion counseling, referrals, or services; current language includes pregnancy prevention program appropriation line item funds.

#### ***Sec. 1138. Maternal and Child Health Contractual Services Preference - NEW***

Establishes that preference for contractual services for family, maternal, and children's health services be given to organizations bes that do not provide abortion services.

### **CRIME VICTIM SERVICES COMMISSION**

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

Allocates up to \$200,000 of justice assistance grants line item funds for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for prosecution of sexual assault. Funds to be used for program coordination and training.

### **OFFICE OF SERVICES TO THE AGING**

#### ***Sec. 1401. Eligibility for Senior Community Services and Nutrition Services Programs - RETAINED***

Eligibility for services funded by community services and nutrition services appropriation line items shall be restricted to individuals at least 60 years of age who fail to qualify for home care services under Titles XVIII, XIX, or XX of the Social Security Act.

#### ***Sec. 1403. Home-Delivered Meals Waiting Lists - REVISED***

Establishes a reporting date for requirement for area agency on aging regions to report home-delivered meals waiting lists to Office of Services to the Aging and to the Legislature; establishes standard criteria for persons included on the waiting list, including an initial determination of likely eligibility.

### **MEDICAL SERVICES ADMINISTRATION - NEW**

#### ***Sec. 1501. Electronic Health Records Incentive Program Work Project - NEW***

Establishes unexpended funds for the Electronic Health Records Incentive program as a work project appropriation with the completion date estimated to be September 30, 2017.

### **MEDICAL SERVICES**

#### ***Sec. 1684. Home- and Community-Based Services (HCBS) Waiver Costs - DELETED***

Requires report that identifies by waiver agent Medicaid HCBS waiver costs by administration, case management, and direct services.

#### ***Sec. 1846. Graduate Medical Education Funding Workgroup - DELETED***

Requires the Department to establish a workgroup on graduate medical education funding, identifies workgroup representation, goals of the workgroup and must issue a report.

#### ***Sec. 1853. Medicaid HMO Enrollee Automatic Assignment Workgroup - DELETED***

Requires the Department to form a workgroup to develop revisions to the process of automatic assignment of new Medicaid recipients to HMOs if the recipient has not chosen an HMO upon enrollment.

#### ***Sec. 1859. Medicaid Eligibility Privatization Pilot projects - NEW***

Requires the Department to work with the Department of Human Services to conduct pilot projects in 3 counties to determine whether there are costs savings from the privatization of Medicaid eligibility determination.

## **PART 2A**

#### ***Sec. 2001. Anticipated FY 2013-14 Appropriations - REVISED***

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on changes in caseload and related costs, federal fund match rates, economic factors, available revenue, and the exclusion of appropriations designated as 1-time appropriations. (See item 39 under Major Budget Changes for specific anticipated appropriation adjustments.)