

FY 2012-13: DEPARTMENT OF COMMUNITY HEALTH
Summary: As Passed by Senate
SB 950 (S-1)



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	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Executive HB 5500, Art. 4	FY 2012-13 House HB 5365, Art. IV	FY 2012-13 Senate SB 950	FY 2012-13 Enacted	Difference: Senate From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$7,241,200	\$10,023,800	\$10,023,800	\$10,023,800		\$2,782,600	38.4
Federal	9,274,293,000	9,740,485,300	9,686,137,800	9,702,741,100		428,448,100	4.6
Local	257,851,000	257,280,100	256,951,300	257,214,300		(636,700)	(0.3)
Private	96,499,200	93,264,000	93,364,000	93,364,000		(3,135,200)	(3.3)
Restricted	2,031,475,500	2,146,562,200	2,146,538,500	2,146,557,500		115,082,000	5.7
GF/GP	2,975,227,400	2,847,864,700	2,825,781,700	2,825,612,300		(149,615,100)	(5.0)
Gross	\$14,642,587,300	\$15,095,480,100	\$15,018,797,100	\$15,035,513,000		\$392,925,700	2.7
FTEs	3,640.2	3,613.9	3,535.6	3,539.6		(100.6)	(2.8)

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 Enrolled Senate Bill 683 (Public Act 64 of 2012).

(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 and Senate do not concur with the rollups.

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 Senate Change
1. Economic Adjustments			
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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.	Gross	N/A	\$18,595,400
	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
2. FY 2011-12 Contingency Plan Savings			
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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.	FTE	N/A	(88.3)
	Gross	N/A	(\$12,176,400)
	Federal	N/A	(3,034,400)
	Restricted	N/A	(304,600)
	Local	N/A	(2,776,500)
	GF/G	N/A	(\$6,060,900)
3. FY 2012-13 State Employees One-Time Lump Sum Payments			
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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).	Gross	N/A	\$4,285,300
	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 Senate Change	
4. Community Health Automated Medicaid Processing System (CHAMPS) Funding		Gross	\$25,723,700	\$44,477,400
The <u>House</u> does not concur with the <u>Executive</u> and <u>Senate</u> to add full-year funding of \$13.4 million Gross (\$5.9 million GF/GP) for CHAMPS. The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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 <u>House</u> does not concur with the <u>Executive</u> and <u>Senate</u> 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	35,732,000
		GF/GP	\$2,834,700	\$8,745,400
5. Family Support Subsidy Program		Gross	\$19,470,500	(\$309,500)
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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
6. Actuarially Sound Capitation Payment Rates Adjustment		Gross	\$6,490,537,900	\$75,148,000
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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
7. Mental Health Services for Special Populations		Gross	\$8,842,800	(\$2,999,900)
The <u>House</u> does not concur with the <u>Executive</u> 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. The <u>Senate</u> recommends a \$100 GF/GP placeholder for mental health services for special populations.		GF/GP	\$8,842,800	(\$2,999,900)
8. Children with Serious Emotional Disturbance Waiver		Gross	\$8,188,000	\$4,463,000
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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
9. Pharmacy Inflationary Adjustment for State Psychiatric Hospitals and Center for Forensic Psychiatry		Gross	\$257,696,200	\$634,600
The <u>House</u> does not concur with the <u>Executive</u> 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. The <u>Senate</u> recommends 4.0% inflationary adjustment for pharmacy costs at state facilities.		Federal	29,426,200	31,600
		Restricted	15,240,900	19,000
		Local	17,494,500	263,000
		GF/GP	\$195,534,600	\$321,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 Senate Change	
10. Healthy Michigan Fund Programs		Gross	\$37,175,900	\$146,600
Healthy Michigan Fund (HMF) changes - <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> on all budget changes using the Healthy Michigan Fund 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 Programs line item to Health and Wellness Initiatives.		Restricted	34,175,900	(2,355,900)
HMF Programs One-Time Basis Only Funding - <u>Senate</u> concurs with the <u>Executive</u> to continue \$3.0 million of one-time basis only funding for HMF Programs line item public health prevention projects, under a new one-time line item name of Health and Wellness Initiatives. <u>House</u> does not concur.		GF/GP	\$3,000,000	\$2,502,500
11. New Wellness 4x4 Initiative		Gross	\$0	\$100
<u>House</u> does not concur with the <u>Executive</u> 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). <u>Senate</u> includes \$100 placeholders for ongoing and one-time basis only funding for this program (one-time basis placeholder funding shown in item 19 below).		GF/GP	\$0	\$100
12. New Children's Physical Health Initiative		Gross	\$0	\$0
<u>House</u> 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. <u>Senate</u> does not include.		GF/GP	\$0	\$0
13. Primary Care Services		Gross	\$3,195,900	\$30,400
Island Health Clinics - <u>Executive</u> eliminates one-time basis only funding of \$300,000 GF/GP for island health clinics for Beaver Island, Mackinac Island and Drummond Island. <u>House</u> concurs. <u>Senate</u> retains \$100 GF/GP as a placeholder.		Federal	1,870,300	219,200
Primary Care DSH - <u>Senate</u> concurs with the <u>Executive</u> to restore primary care disproportionate share (DSH) funding of \$330,200 Gross (\$111,000 GF/GP) for Bronson Methodist Hospital. <u>House</u> does not concur. This funding is included in FY 2011-12 supplemental Enrolled HB 4289.		GF/GP	\$1,325,600	(\$188,800)
Dental Clinic - <u>Senate</u> includes \$100 GF/GP as a placeholder to help fund a dental clinic in Kent County. <u>House</u> does not include.				
14. Michigan Essential Health Care Provider Initiative		Gross	\$872,700	(\$381,300)
<u>Senate</u> includes \$100 GF/GP as a placeholder for a new Essential Health Care Provider Program initiative to reduce local and private share of loan repayment costs to 25% for obstetricians and gynecologists working in underserved areas (related Sec. 709 (2) boilerplate). <u>House</u> does not include. <u>House</u> , <u>Senate</u> , and <u>Executive</u> all concur on elimination of other state funding (and related federal funding) for this program, the final year of a multi-year phase out of state funding.		Federal	436,300	(200,000)
		Local	100,000	(100,000)
		Private	255,000	0
		GF/GP	\$81,400	(\$81,300)
15. Laboratory Services One-Time Equipment Funding		Gross	\$0	\$100
<u>House</u> does not concur with the <u>Executive</u> to provide new one-time basis only appropriation of \$200,000 for replacement of outdated laboratory equipment and supplies in FY 2012-13. <u>Senate</u> includes \$100 GF/GP as a placeholder.		GF/GP	\$0	\$100
16. Bioterrorism Preparedness		Gross	\$49,286,900	(\$14,519,100)
<u>Executive</u> reflects decline in federal grant funding for public health and hospital preparedness and response for bioterrorism, and completion of grants for H1N1 pandemic flu, a reduction of \$14.5 million. <u>House</u> and <u>Senate</u> concur.		Federal	49,286,900	(14,519,100)
		GF/GP	\$0	\$0
17. Traumatic Brain Injury Treatment Model Project		Gross	\$0	\$100
<u>House</u> does not concur with the <u>Executive</u> 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. <u>Senate</u> includes \$100 GF/GP as a placeholder. This funding is included in FY 2011-12 supplemental Enrolled HB 4289.		Federal	0	0
		GF/GP	\$0	\$100

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 Senate Change	
18. Maternal and Infant Home Visiting Program		Gross	\$2,200,000	\$2,107,200
<u>Executive</u> 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. <u>House</u> and <u>Senate</u> concur. <u>House</u> shifts all \$4.3 million funding for this program from Special Projects line item to Prenatal Care Outreach and Service Delivery Support line item.		Federal	2,200,000	2,107,200
		GF/GP	\$0	\$0
19. One-Time Funding for Infant Mortality		Gross	\$0	\$100
<u>House</u> does not concur with the <u>Executive</u> on new one-time funding of \$750,000 GF/GP for maternal and child health and infant mortality programming within the one-time Health and Wellness Initiatives line item. <u>Senate</u> includes \$100 GF/GP as a placeholder for this program (and for other new one-time Health and Wellness Initiatives program - see item 11).		GF/GP	\$0	\$100
20. New 2-Year Alternative Home Visit Support Program		Gross	\$0	\$0
<u>House</u> 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. <u>Senate</u> does not include.		Federal	0	0
		GF/GP	\$0	\$0
21. New 2-Year Enhanced Support for Nurse Family Partnership		Gross	\$0	\$0
<u>House</u> 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. <u>Senate</u> does not include.		Federal	0	0
		GF/GP	\$0	\$0
22. Aging Services to Support Community Living		Gross	\$35,314,400	\$400
<u>House</u> does not concur with the <u>Executive</u> on the following GF/GP increases for senior programs: \$500,000 to expand community living options counseling, \$250,000 for community services for persons caring 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). <u>Senate</u> includes a \$100 GF/GP placeholder for each of the 4 funding items.		Federal	22,880,900	0
		Private	200,000	0
		GF/GP	\$12,233,500	\$400
23. Cochlear Implant Policy Change		Gross	\$0	\$560,000
The <u>Senate</u> concurs with the <u>Executive's</u> 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 to cover 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. The <u>House</u> does not include funding for this policy change.		Federal	0	371,100
		GF/GP	\$0	\$188,900
24. Electronic Health Records Incentive Program		FTEs	0.0	24.0
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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 of 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, 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.		Gross	\$119,388,800	\$24,692,600
		Federal	117,989,900	24,753,400
		GF/GP	\$1,398,900	(\$60,800)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 Senate Change
25. Medicaid Cost Increases		Gross \$11,763,656,400	\$115,299,300
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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	69,490,500 0 0 0 0 \$45,808,800
26. Dual Eligibles to Managed Care		Gross N/A	\$0
The <u>House</u> 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 again included by the <u>Executive</u> in the FY 2012-13 Recommendation, and concurred with by the <u>Senate</u> , 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 or Senate passed bill.		Federal N/A GF/GP N/A	0 \$0
27. Graduate Medical Education		Gross \$153,465,900	(\$17,129,300)
The <u>House</u> and <u>Senate</u> concur with <u>Executive's</u> continuation of the reduction of \$31.8 million Gross made to the Graduate Medical Education (GME) program in FY 2011-12. The <u>Executive</u> does not continue the FY 2011-12 Sec. 1901 "one-time basis only" funding for GME of \$17.1 million Gross, but the <u>House</u> does fund the one-time unit at \$18.0 million Gross (\$6.1 million GF/GP), and the <u>Senate</u> is \$100 different than the Executive reduction.		Federal 101,502,300 GF/GP \$51,963,600	(11,329,400) (\$5,799,900)
28. Primary Care Physician Rate Increase		Gross N/A	\$281,800,000
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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 practioners, 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 GF/GP N/A	281,800,000 \$0
29. Include Behavioral Health Drugs On Preferred Drug List		Gross \$338,717,500	\$18,700,000
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 are maintained by the <u>Executive</u> in the FY 2012-13 Recommendation. There is no net change from FY 2011-12 to FY 2012-13. The <u>House</u> restores \$7.9 million (\$2.7 million GF/GP) of the anticipated savings and the <u>Senate</u> restores the full amount of the savings, \$18.7 million Gross (\$6.3 million GF/GP). A statutory change would be required to realize the Executive and House savings.		Federal 222,861,200 GF/GP \$115,856,300	12,414,900 \$6,285,100
30. Healthy Kids Dental Expansion		Gross N/A	\$100
The <u>Executive</u> 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 <u>House</u> includes \$7.9 million Gross (\$2.7 million GF/GP) for an expansion and the <u>Senate</u> includes \$100 GF/GP as a placeholder.		Federal N/A GF/GP N/A	0 \$100

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 Senate Change	
31. Airport Parking Tax Deposit to MBTF		Gross	\$105,877,700	\$0
The <u>House</u> and <u>Senate</u> concur with the <u>Executive's</u> 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 simply direct 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 an anticipated supplemental request 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
32. Medicaid Estate Recovery Program		Gross	\$1,686,454,600	\$0
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 by the <u>Executive</u> in the FY 2012-13 Recommendation and the <u>House</u> and <u>Senate</u> concur. 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
33. MIChoice Program Adjustments		Gross	\$229,921,000	\$7,500,100
The <u>Executive</u> increases 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, \$3.1 million Gross and \$11.0 million Gross respectively. The Long-Term Care Services line is reduced \$6.6 million Gross (\$1.5 million GF/GP) recognizing transition savings and funds transferred to the MIChoice program. The <u>House</u> concurs, with the exception that funding to reduce the MIChoice waiting list is \$8.0 million Gross rather than \$11.0 million Gross. The <u>Senate</u> concurs with the Executive but creates a \$100 GF/GP point of difference.		Federal	146,177,400	4,143,300
		Local	265,000	0
		Private	2,100,000	0
		GF/GP	\$81,378,600	\$3,356,800
34. PACE Program Adjustments		Gross	\$30,707,800	\$0
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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 Gross) and adding a Berrien County PACE program (\$1.6 million Gross). 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
35. Autism Spectrum Disorder Coverage		Gross	\$0	\$300
The <u>House</u> includes the <u>Executive's</u> increase of \$34.1 million Gross (\$10.1 million GF/GP) to fund autism spectrum disorder treatment for Medicaid and MIChild eligible children. The <u>Executive</u> created a new line "Autism Services" authorized at \$20.5 million Gross (\$6.9 million GF/GP), with the <u>House</u> renaming the line "Essential services to children age 2-5". The <u>House</u> and <u>Executive</u> agree to add funding to the MIChild line of \$13.5 Gross (\$3.2 million GF/GP). The <u>Senate</u> includes \$300 GF/GP as placeholders in various appropriation lines related to potential autism funding.		Federal	0	0
		GF/GP	\$0	\$300
36. Use Tax Adjustment		Gross	\$201,057,300	(\$201,057,300)
The <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> 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)
37. School-Based Services		Gross	\$91,296,500	\$40,206,200
The <u>House</u> and the <u>Senate</u> concur with the <u>Executive</u> 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)

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 Senate Change
<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>			
38. Hospital Uncompensated Care Payments - One-Time	Gross	\$29,533,400	(\$29,533,300)
The <u>House</u> concurs with the <u>Executive</u> in the discontinuation of a rural and sole community hospitals payment pool of \$29.5 million Gross (\$10.0 million GF/GP). However, the <u>House</u> 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. The <u>Senate</u> removes all but \$100 GF/GP, creating a point of difference.	Federal	19,533,400	(19,533,400)
	GF/GP	\$10,000,000	(\$9,999,900)

39. One-Time Appropriations	Gross	N/A	N/A
<u>House</u> and <u>Senate</u> do not concur with the <u>Executive</u> on most one-time basis only appropriations. <u>House</u> and <u>Senate</u> move all one-time basis only appropriations from Sec. 1901 boilerplate to Part 1, Sec. 121 which are then included in the Part 1 Sec. 101 appropriation summary. <u>House</u> proposes \$35.3 million Gross (\$15.0 million GF/GP) of one-time basis only appropriations in four areas: mental health services for special populations, graduate medical education, hospital uncompensated care payments, and state employee lump sum payments. <u>Senate</u> proposes \$47.3 million Gross (\$9.6 million GF/GP) in nine areas, including six \$100 GF/GP placeholders. All <u>Executive</u> , <u>House</u> , and <u>Senate</u> one-time appropriations are discussed above throughout the Major Budget Changes section.	GF/GP	N/A	N/A

40. Anticipated FY 2013-14 Budget Changes

The House reflects FY 2013-14 anticipated increase from FY 2012-13 budget of \$391.6 million Gross (\$147.2 million GF/GP):

- \$379.4 Gross (\$128.3 million GF/GP) for Medicaid caseload/utilization/inflation costs
- \$0 Gross (\$15.1 million GF/GP) for the replacement of state restricted revenue shortfalls with general fund/general purpose
- \$7.9 million Gross (\$2.7 million GF/GP) for phase-in of Healthy Kids dental expansion
- \$4.3 million Gross (\$1.1 million GF/GP) for active and early retiree insurance and pension costs

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

The Senate indicates that FY 2013-14 appropriations are anticipated to be the same as FY 2012-13, except line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue.

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 95 of 146 boilerplate sections. The House deletes 30 of 146 boilerplate sections. The Senate deletes 9 of 146 boilerplate sections.

GENERAL SECTIONS

Sec. 213. Report on Tobacco and Healthy Michigan Funds – RETAINED

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

Sec. 207. Principal Measurable Outcomes - NOT INCLUDED

Requires the Department to identify 10 principal measurable outcomes to be affected by the expenditure of appropriated funds and submit a report to the House and Senate Appropriations Committees, House and Senate Fiscal Agencies, and State Budget Director that ranks the outcomes by level of importance and contains current data on those outcomes. House adds new section. Senate does not include new section.

Sec. 224. Smoking Ban - NEW

Directs DCH not to enforce ban on smoking in public places at certain charitable fundraising dinners. Senate adds new section. House does not include new section.

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, 2011. House removes calendar year. Senate concurs with Executive to change date from November 15 to November 30.

Major Boilerplate Changes From FY 2011-12

Sec. 297. Statewide Office Space Consolidation Plan – NOT INCLUDED

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. House adds new section. Senate does not include new section.

Sec. 298. E-Verify System - NOT INCLUDED

Requires DCH to verify, using the e-verify system, that all new department employees and new hire employees of contractors and subcontractors paid from appropriated funds, are legally present in the United States. Also, requires DCH to submit a report certifying that it has verified, or has required contractors and subcontractors to verify, using the e-verify system, that all new department and hire employees are legally present in the United States. House adds new section. Senate does not include new section.

~~COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS~~ BEHAVIORAL HEALTH SERVICES

Sec. 401. Comprehensive System of CMH Services – RETAINED

Requires 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. House and Executive delete. Senate retains current law.

Sec. 404. Report on CMHSPs – RETAINED

Requires DCH to report by May 31, on the following for CMHSPs or PIHPs: expenditures and services data, information about access to CMHSPs, lapses and carry-forwards during the immediate preceding fiscal year, 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. House and Senate retain current law. Executive deletes.

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. House and Senate retain current law. Executive deletes.

Sec. 408. Report on Substance Abuse Prevention, Education, and Treatment Programs – RETAINED

Requires DCH to report by April 1, on expenditures and services data on substance abuse prevention, education, and treatment programs from the prior fiscal year. House and Senate retain current law. Executive deletes.

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. House and Senate retain current law. Executive deletes.

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. House and Senate retain current law. Executive deletes.

Sec. 498. Effectiveness of Substance Use Disorders Treatment Programs – NOT INCLUDED

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. House adds new section. Senate does not include new section.

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. House and Senate retain current law. Executive deletes.

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. Executive deletes. House and Senate current law.

Sec. 715. Options for Incentivizing Primary Care Medical School Students to Stay in Michigan – NOT INCLUDED

House includes new language to require 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. Senate does not include.

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. Executive deletes. House and Senate current law.

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. Executive deletes. House current law with fiscal year update. Senate current law with additional language that requires DCH to provide actual or estimated expenditure data by marital status, and permits the use of state Plan First!, MICHild, Healthy Kids, public assistance, or other official application form to determine actual or estimated public expenditures based on marital status.

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. Executive deletes. House and Senate current law.

Sec. 1108. Restrictions on Use of Pregnancy Prevention Funding – REVISED

Senate concurs with the Executive and 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. House current law.

Sec. 1138. Maternal and Child Health Contractual Services Preference – NOT INCLUDED

House includes new language to establish that preference for contractual services for family, maternal, and children's health services be given to organizations that do not provide abortion services. Senate does not include.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1202. Children's Special Health Care Services Coverage – REVISED

The Senate includes language that conditionally allows autism coverage within the CSHCS program if Senate Bills 414 and 415 are enacted. Note: These bills became law on April 18, 2012.

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. Executive deletes. House and Senate current law.

OFFICE OF SERVICES TO THE AGING

Sec. 1401. Eligibility for Senior Community Services and Nutrition Services Programs – DELETED

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. Senate concurs with Executive and deletes this section. House current law.

Sec. 1403. Home-Delivered Meals Waiting Lists – RETAINED

Requires area agency on aging regions to report home-delivered meals waiting lists to the Office of Services to the Aging and the Legislature; establishes standard criteria for persons included on the waiting list, including an initial determination of likely eligibility. Executive deletes. House current law and adds report due date. Senate current law.

MEDICAL SERVICES ADMINISTRATION – NEW

Sec. 1501. Electronic Health Records Incentive Program Work Project – NEW

House and Senate make minor technical changes with language originated by the Executive which 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. 1630. Medicaid Podiatric and Dental Coverage – REVISED

Senate language conditionally allows, subject to the availability of funds, coverage of adult chiropractic and vision services, and includes possible utilization limitations and reimbursement level. The House and Executive deleted current law.

Sec. 1670. MICHild Program Eligibility – REVISED

The Senate includes language that conditionally allows autism coverage for MICHild eligibles less than six years of age if Senate Bills 414 and 415 are enacted. Note: These bills became law on April 18, 2012. The Executive included autism coverage for children less than six years old and the House narrowed coverage for MICHild eligibles to age two through five years old.

Major Boilerplate Changes From FY 2011-12

Sec. 1694. Allocation to Children's Hospital With High Indigent Care Volume – REVISED

The Senate adds language requiring a report to the subcommittees and fiscal agencies as to the adequacy of the \$1,122,300 payment to the children's hospital. The House does not include Senate language but does specify that the funding is specifically for poison control services and the Executive maintains current law.

Sec. 1700. Disproportionate Share Hospital (DSH) Pool – NEW

The Senate conditions a DSH pool appropriation in excess of the \$45.0 million if allowable room exists within the federal allotment and that the Centers for Medicare and Medicaid Services approves the distribution formula. The matching funds must be GF/GP and there are qualifying limitations on those hospitals or hospital systems that may receive funding. The House includes related language in Sec. 1904 "The One-Time Basis Only" unit of HB 5365, Article IV.

Sec. 1846. Graduate Medical Education Funding – DELETED

Senate language requires that the Department revise the graduate medical education (GME) program funding distribution promoting primary care physician support. The Executive deleted current law, the House retains current law.

Sec. 1858. Medicaid Autism Coverage – REVISED

The Senate includes language that conditionally allows autism coverage for Medicaid eligibles less than six years of age if Senate Bills 414 and 415 are enacted. Note: These bills became law on April 18, 2012. The Executive included autism coverage for children less than six years old and the House narrowed coverage for Medicaid eligibles to age two through five years old.

Sec. 1860. Nursing Facilities Reimbursement Workgroup – NEW

Senate language encourages the Department to actively participate with the Health Care Association of Michigan, the Michigan County Medical Care Facility Council, and Aging Services of Michigan in designing and implementing a new reimbursement payment system for nursing facilities.

Sec. 1861. Nonemergency Medical Transportation Competitive Bid – NEW

Senate language allows nonemergency medical transportation to be competitively bid; may take into consideration a minimum of two bids; one bid must be a public transportation agency; and defines qualified vendor.

Sec. 1863. Quality Indicators In HMO Contract Rebid – NEW

Senate language requires the Department to study the possibility of including quality indicators to exclude certain Medicaid managed care organizations in the next contract rebidding process.

Sec. 1864. Incentivizing Medical School Students To Provide Rural Service – NEW

Senate language requires the Department to create a pilot program which would incentivize students attending Michigan medical schools to provide primary care medical services in rural counties with a medically underserved population. Requires a report by September 30, 2012.

PART 2A

Sec. 2001. Anticipated FY 2013-14 Appropriations – REVISED

States legislative intent to provide appropriations for FY 2012-13, adjusting FY 2011-12 amounts based on changes in caseload and related costs, federal fund match rates, economic factors, and available revenues. House updates fiscal year references, and excludes FY 2012-13 1-time designated appropriations from FY 2013-14 appropriations. Senate updates fiscal year references. Executive deletes. (See item 39 under Major Budget Changes for specific anticipated appropriation adjustments.)