



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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<b>FY 2011-12 Year-to-Date Gross Appropriation .....</b>	<b>\$14,675,817,000</b>
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**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

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|---|---------------|
| 1. <b>Increase in Base FMAP Rate.</b> The base Medicaid FMAP rate will increase from 66.14% in FY 2011-12 to 66.39% in FY 2012-13, leading to a savings of \$25.7 million GF/GP.  | 0             |
| 2. <b>Actuarial Soundness Adjustments.</b> Conference reflected agreed-upon actuarial soundness adjustments for physical and mental health managed care entities, at a cost of \$25.3 million GF/GP.                      | 75,148,000    |
| 3. <b>Expiration of Managed Care Use Tax.</b> The Managed Care Use Tax expired April 1, 2012, so the funding necessary to reimburse such entities for Use Tax costs was removed, with a GF/GP savings of \$167.3 million. | (201,057,300) |
| 4. <b>Medicaid Primary Care Rates.</b> Conference reflected the Federal requirement that states reimburse Medicaid primary care providers at Medicare rates in 2013 and 2014.   | 281,800,000   |
| 5. <b>Economic Adjustments.</b> Includes net of \$4,328,800 for OPEB.   | 18,595,400    |
| 6. <b>Other Changes.</b> Other changes, including adjustments to available Federal funds, led to a slight increase in spending.   | 5,762,200     |

Conference Agreement on Items of Difference

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|---|--------------|
| 7. <b>Medicaid Base.</b> Conference reflected the consensus Medicaid expenditure consensus, with a small GF/GP savings of \$7.8 million.  | 8,711,600    |
| 8. <b>Savings Initiatives.</b> Conference assumed savings from various Executive Initiatives, but rejected assumed savings from adding behavioral health drugs to the preferred drug list and expanding estate recovery efforts.  | (15,866,900) |
| 9. <b>Program Enhancements.</b> Conference included increases for Healthy Michigan Fund programs, Healthy Kids Dental, rural and sole community hospital funding, lead abatement, graduate medical education, aging services, and the Home- and Community Based Waiver. Conference restored funding for Medicaid chiropractic and vision, covered autism services, and increased Medicaid obstetrical payment rates by 20%. | 191,186,000  |
| 10. <b>FY 2012-13 One-Time Appropriations.</b> Conference removed \$52.9 million in one-time appropriated from FY 2011-12 and included \$46,924,500 Gross and \$15,346,000 GF/GP in new one-time funding, including information technology, special populations, island clinics, and lump sum payments.   | (6,038,300)  |

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<b>Total Changes .....</b>	<b>\$358,240,700</b>
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<b>FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation .....</b>	<b>\$15,034,057,700</b>
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**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Community Mental Health (CMH) and Substance Abuse Coordinating Agency (CA) Reporting.** The Conference retained long-standing language requiring CMHs and CAs to report data to the Department and the Legislature (Secs. 404 and 408).

Conference Agreement on Items of Difference

2. **Smoking Ban Exception.** The Conference did not include Senate language that would bar the Department from using money to enforce the public smoking ban for certain charitable organizations.
3. **Use of e-Verify System.** The Conference did not include House language that would have required the Department to use the e-Verify system to verify the immigration status of all Department, contractor, and subcontractor employees.
4. **CMH Contractual Requirements.** The Conference retained long-standing language on CMH contracts (Secs. 401 and 402).
5. **CMH Funding Formula.** The Conference did not include new Senate language directing that the new CMH funding formula continue to be implemented, with a 2% cap on increases or reductions to any individual CMH.
6. **Evaluation of Substance Use Disorder Programs.** The Conference included a revised version of House language requiring the Department to assess the effectiveness of heroin and other opiate treatment programs (Sec. 498).
7. **Michigan Essential Health Provider Program.** Conference included Senate language directing that additional funding for the program be used to reduce the Local and Private share of loan repayment costs for obstetricians and gynecologists working in underserved areas (Sec. 709(2)).
8. **Reporting on Maternal and Pregnancy Services.** Conference included revised Senate language requiring reporting of actual or estimated expenditures on family planning, sexually transmitted diseases, pregnancies, and births by marital status. Reporting of data by individuals to the Department would be voluntary (Sec. 1103).
9. **Pharmacy Dispensing Fee.** The Conference retained long-standing language setting the Medicaid pharmacy dispensing fee (Sec. 1620).
10. **Medicaid Emergency Room and Physician Services Copayments.** The Conference retained current year language and did not include House language that would have eliminated physician office visit copayments and doubled emergency department visit copayments (Sec. 1631).
11. **MiChild Benefits.** The Conference included House language directing that the MiChild program provide all benefits available under the State employee insurance plan (Sec. 1677).
12. **Graduate Medical Education (GME) Reimbursement.** The Conference included new language directing the Department to do research on the effectiveness of GME funding and report the results to the Legislature (Sec. 1846).
13. **Autism Coverage.** The Conference included language reflecting the dollar decision to provide Medicaid and MiChild coverage for autism related services for children through the age of 18 (Secs. 1670(10) and 1858).
14. **Nursing Facility Reimbursement.** The Conference included language authorizing the Department to receive reports from nursing facility trade organizations on proposed changes to nursing facility reimbursement (Sec. 1860).

Date Completed: 5-29-12

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