

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 950, entitled

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2013; and to provide for the expenditure of the appropriations.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2013; and to provide for the expenditure of the appropriations.

John Moolenaar

Matt Lori

Roger Kahn

Peter MacGregor

Vincent Gregory

Rashida Tlaib

Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR
SENATE BILL NO. 950**

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2013; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2012-2013

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, 2013, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

1 APPROPRIATION SUMMARY

2	Full-time equated unclassified positions.....	6.0	
3	Full-time equated classified positions.....	3,546.6	
4	Average population	893.0	
5	GROSS APPROPRIATION.....		\$ 15,034,057,700
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers		10,023,800
9	ADJUSTED GROSS APPROPRIATION.....		\$ 15,024,033,900
10	Federal revenues:		
11	Total federal revenues.....		9,673,682,000
12	Social security act, temporary assistance for needy		
13	families		22,341,500
14	Special revenue funds:		
15	Total local revenues.....		257,148,600
16	Total private revenues.....		93,364,000
17	Merit award trust fund.....		81,202,200
18	Total other state restricted revenues.....		2,078,857,800
19	State general fund/general purpose.....		\$ 2,817,437,800
20	State general fund/general purpose schedule:		
21	Ongoing state general fund/general		
22	purpose	2,802,091,300	
23	One-time state general fund/general		
24	purpose	15,346,500	
25	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
26	Full-time equated unclassified positions.....	6.0	
27	Full-time equated classified positions.....	176.7	

1	Director and other unclassified--6.0 FTE positions ...	\$	700,000
2	Departmental administration and management--166.7		
3	FTE positions		24,453,200
4	Worker's compensation program.....		7,612,800
5	Rent and building occupancy.....		9,386,500
6	Developmental disabilities council and		
7	projects--10.0 FTE positions		<u>2,986,900</u>
8	GROSS APPROPRIATION.....	\$	45,139,400
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues.....		14,797,300
12	Special revenue funds:		
13	Total private revenues.....		34,600
14	Total other state restricted revenues.....		780,500
15	State general fund/general purpose.....	\$	29,527,000
16	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION		
17	AND SPECIAL PROJECTS		
18	Full-time equated classified positions..... 103.0		
19	Behavioral health program administration--102.0 FTE		
20	positions	\$	17,810,400
21	Gambling addiction--1.0 FTE position.....		3,000,000
22	Protection and advocacy services support.....		194,400
23	Community residential and support services.....		1,549,100
24	Federal and other special projects.....		3,541,600
25	Family support subsidy.....		19,161,000
26	Housing and support services.....		<u>11,322,500</u>
27	GROSS APPROPRIATION.....	\$	56,579,000

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues.....	20,260,000
4	Social security act, temporary assistance for needy	
5	families	19,341,500
6	Special revenue funds:	
7	Total private revenues.....	400,000
8	Total other state restricted revenues.....	3,000,000
9	State general fund/general purpose.....	\$ 13,577,500
10	Sec. 104. BEHAVIORAL HEALTH SERVICES	
11	Full-time equated classified positions.....	9.5
12	Medicaid mental health services.....	\$ 2,160,013,200
13	Community mental health non-Medicaid services.....	274,136,200
14	Medicaid adult benefits waiver.....	32,056,100
15	Mental health services for special populations.....	5,842,800
16	Medicaid substance abuse services.....	47,033,500
17	CMHSP, purchase of state services contracts.....	144,602,500
18	Civil service charges.....	1,499,300
19	Federal mental health block grant--2.5 FTE positions .	15,424,900
20	State disability assistance program substance abuse	
21	services	2,018,800
22	Community substance abuse prevention, education, and	
23	treatment programs	80,093,000
24	Children's waiver home care program.....	19,444,800
25	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,233,600
26	Children with serious emotional disturbance waiver...	<u>12,651,000</u>
27	GROSS APPROPRIATION.....	\$ 2,807,049,700

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	Interdepartmental grant from the department of human	
4	services	6,194,900
5	Federal revenues:	
6	Total federal revenues.....	1,599,844,700
7	Special revenue funds:	
8	Total local revenues.....	25,228,900
9	Total other state restricted revenues.....	22,261,900
10	State general fund/general purpose.....	\$ 1,153,519,300
11	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
12	MENTAL HEALTH SERVICES	
13	Total average population	893.0
14	Full-time equated classified positions.....	2,130.9
15	Caro Regional Mental Health Center - psychiatric	
16	hospital - adult--461.3 FTE positions.....	\$ 62,292,300
17	Average population	185.0
18	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
19	positions	60,127,200
20	Average population	189.0
21	Walter P. Reuther Psychiatric Hospital -	
22	adult--420.8 FTE positions	55,662,500
23	Average population	234.0
24	Hawthorn Center - psychiatric hospital - children	
25	and adolescents--226.4 FTE positions.....	28,632,900
26	Average population	75.0
27	Center for forensic psychiatry--556.3 FTE positions..	69,129,600

1	Average population	210.0	
2	Revenue recapture.....		750,000
3	IDEA, federal special education.....		120,000
4	Special maintenance.....		332,500
5	Purchase of medical services for residents of		
6	hospitals and centers		445,600
7	Gifts and bequests for patient living and treatment		
8	environment		<u>1,000,000</u>
9	GROSS APPROPRIATION.....	\$	278,492,600
10	Appropriated from:		
11	Federal revenues:		
12	Total federal revenues.....		33,729,100
13	Special revenue funds:		
14	CMHSP, purchase of state services contracts.....		144,602,500
15	Other local revenues.....		18,707,400
16	Total private revenues.....		1,000,000
17	Total other state restricted revenues.....		16,537,300
18	State general fund/general purpose.....	\$	63,916,300
19	Sec. 106. PUBLIC HEALTH ADMINISTRATION		
20	Full-time equated classified positions.....	101.9	
21	Public health administration--7.3 FTE positions	\$	1,594,000
22	Health and wellness initiatives--10.7 FTE positions ...		7,146,600
23	Minority health grants and contracts--2.5 FTE		
24	positions		612,700
25	Vital records and health statistics--81.4 FTE		
26	positions		<u>9,643,300</u>
27	GROSS APPROPRIATION.....	\$	18,996,600

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	Interdepartmental grant from the department of human	
4	services	1,181,200
5	Federal revenues:	
6	Total federal revenues.....	4,229,700
7	Special revenue funds:	
8	Total other state restricted revenues.....	10,301,600
9	State general fund/general purpose.....	\$ 3,284,100
10	Sec. 107. HEALTH POLICY	
11	Full-time equated classified positions.....	64.8
12	Emergency medical services program state staff--23.0	
13	FTE positions	\$ 4,502,400
14	Emergency medical services grants and services	660,000
15	Health policy administration--24.1 FTE positions	4,304,600
16	Nurse education and research program--3.0 FTE	
17	positions	762,300
18	Certificate of need program administration--12.3 FTE	
19	positions	2,021,900
20	Rural health services--1.0 FTE position.....	1,529,100
21	Michigan essential health provider.....	1,491,300
22	Primary care services--1.4 FTE positions.....	<u>3,235,900</u>
23	GROSS APPROPRIATION.....	\$ 18,507,500
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	Interdepartmental grant from the department of	
27	licensing and regulatory affairs.....	2,058,800

1	Interdepartmental grant from the department of	
2	treasury, Michigan state hospital finance authority.	112,400
3	Federal revenues:	
4	Total federal revenues.....	6,145,800
5	Special revenue funds:	
6	Total private revenues.....	255,000
7	Total other state restricted revenues.....	5,783,000
8	State general fund/general purpose.....	\$ 4,152,500
9	Sec. 108. INFECTIOUS DISEASE CONTROL	
10	Full-time equated classified positions..... 44.5	
11	AIDS prevention, testing, and care programs--12.7	
12	FTE positions	\$ 58,558,700
13	Immunization local agreements.....	11,975,200
14	Immunization program management and field	
15	support--12.8 FTE positions	1,835,300
16	Pediatric AIDS prevention and control--1.0 FTE	
17	position	1,233,100
18	Sexually transmitted disease control local agreements	3,360,700
19	Sexually transmitted disease control management and	
20	field support--18.0 FTE positions.....	<u>3,794,100</u>
21	GROSS APPROPRIATION.....	\$ 80,757,100
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues.....	42,597,900
25	Special revenue funds:	
26	Total private revenues.....	27,707,700
27	Total other state restricted revenues.....	7,605,200

1	State general fund/general purpose	\$	2,846,300
2	Sec. 109. LABORATORY SERVICES		
3	Full-time equated classified positions.....	100.0	
4	Laboratory services--100.0 FTE positions	\$	<u>18,023,400</u>
5	GROSS APPROPRIATION.....	\$	18,023,400
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	Interdepartmental grant from the department of		
9	environmental quality		456,800
10	Federal revenues:		
11	Total federal revenues		2,730,500
12	Special revenue funds:		
13	Total other state restricted revenues		8,310,400
14	State general fund/general purpose	\$	6,525,700
15	Sec. 110. EPIDEMIOLOGY		
16	Full-time equated classified positions.....	115.1	
17	AIDS surveillance and prevention program	\$	2,254,100
18	Bioterrorism preparedness--55.0 FTE positions		35,201,400
19	Epidemiology administration--41.6 FTE positions		9,253,000
20	Healthy homes program--8.0 FTE positions		4,932,100
21	Newborn screening follow-up and treatment		
22	services--10.5 FTE positions		5,629,000
23	Tuberculosis control and prevention		<u>867,000</u>
24	GROSS APPROPRIATION.....	\$	58,136,600
25	Appropriated from:		
26	Federal revenues:		
27	Total federal revenues		47,078,200

1	Special revenue funds:	
2	Total private revenues.....	100,000
3	Total other state restricted revenues.....	9,007,500
4	State general fund/general purpose.....	\$ 1,950,900
5	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
6	Full-time equated classified positions..... 2.0	
7	Essential local public health services.....	\$ 37,386,100
8	Implementation of 1993 PA 133, MCL 333.17015	20,000
9	Local health services--2.0 FTE positions.....	524,400
10	Medicaid outreach cost reimbursement to local health	
11	departments	<u>9,000,000</u>
12	GROSS APPROPRIATION.....	\$ 46,930,500
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	9,524,400
16	Special revenue funds:	
17	Total local revenues.....	5,150,000
18	State general fund/general purpose.....	\$ 32,256,100
19	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND	
20	HEALTH PROMOTION	
21	Full-time equated classified positions..... 64.3	
22	Cancer prevention and control program--11.0 FTE	
23	positions	\$ 14,932,600
24	Chronic disease control and health promotion	
25	administration--29.4 FTE positions.....	6,833,800
26	Diabetes and kidney program--8.0 FTE positions	1,855,700
27	Injury control intervention project.....	200,000

1	Public health traffic safety coordination--1.0 FTE	
2	position	93,800
3	Smoking prevention program--12.0 FTE positions	2,172,100
4	Violence prevention--2.9 FTE positions	<u>2,158,000</u>
5	GROSS APPROPRIATION.....	\$ 28,246,000
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	25,183,400
9	Special revenue funds:	
10	Total private revenues.....	500,000
11	Total other state restricted revenues.....	721,200
12	State general fund/general purpose.....	\$ 1,841,400
13	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
14	SERVICES	
15	Full-time equated classified positions..... 49.6	
16	Childhood lead program--2.5 FTE positions.....	\$ 653,900
17	Dental programs--3.0 FTE positions.....	1,134,300
18	Dental program for persons with developmental	
19	disabilities	151,000
20	Family, maternal, and children's health services	
21	administration--41.6 FTE positions.....	6,654,000
22	Family planning local agreements.....	9,085,700
23	Local MCH services.....	7,018,100
24	Pregnancy prevention program.....	602,100
25	Prenatal care outreach and service delivery support ..	11,101,400
26	Special projects--2.5 FTE positions.....	8,421,700
27	Sudden infant death syndrome program.....	<u>321,300</u>

1	GROSS APPROPRIATION.....	\$	45,143,500
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		35,518,100
5	Social security act, temporary assistance for needy		
6	families		3,000,000
7	Special revenue funds:		
8	Total local revenues.....		75,000
9	Total private revenues.....		873,200
10	State general fund/general purpose.....	\$	5,677,200
11	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND		
12	NUTRITION PROGRAM		
13	Full-time equated classified positions.....	45.0	
14	Women, infants, and children program administration		
15	and special projects--45.0 FTE positions.....	\$	16,294,500
16	Women, infants, and children program local		
17	agreements and food costs		<u>253,825,500</u>
18	GROSS APPROPRIATION.....	\$	270,120,000
19	Appropriated from:		
20	Federal revenues:		
21	Total federal revenues.....		211,501,600
22	Special revenue funds:		
23	Total private revenues.....		58,618,400
24	State general fund/general purpose.....	\$	0
25	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
26	Full-time equated classified positions.....	46.8	
27	Children's special health care services		

1	administration--44.0 FTE positions.....	\$	5,385,600
2	Bequests for care and services--2.8 FTE positions....		1,511,400
3	Outreach and advocacy.....		5,510,000
4	Nonemergency medical transportation.....		2,679,300
5	Medical care and treatment.....		<u>285,901,200</u>
6	GROSS APPROPRIATION.....	\$	300,987,500
7	Appropriated from:		
8	Federal revenues:		
9	Total federal revenues.....		168,451,400
10	Special revenue funds:		
11	Total private revenues.....		996,800
12	Total other state restricted revenues.....		3,848,500
13	State general fund/general purpose.....	\$	127,690,800
14	Sec. 116. CRIME VICTIM SERVICES COMMISSION		
15	Full-time equated classified positions..... 13.0		
16	Grants administration services--13.0 FTE positions...	\$	2,460,000
17	Justice assistance grants.....		19,106,100
18	Crime victim rights services grants.....		<u>16,570,000</u>
19	GROSS APPROPRIATION.....	\$	38,136,100
20	Appropriated from:		
21	Federal revenues:		
22	Total federal revenues.....		24,083,800
23	Special revenue funds:		
24	Total other state restricted revenues.....		14,052,300
25	State general fund/general purpose.....	\$	0
26	Sec. 117. OFFICE OF SERVICES TO THE AGING		
27	Full-time equated classified positions..... 40.0		

1	Office of services to aging administration--40.0 FTE	
2	positions	\$ 6,724,100
3	Community services.....	36,414,400
4	Nutrition services.....	35,430,200
5	Foster grandparent volunteer program.....	2,233,600
6	Retired and senior volunteer program.....	627,300
7	Senior companion volunteer program.....	1,604,400
8	Employment assistance.....	3,500,000
9	Respite care program.....	<u>5,868,700</u>
10	GROSS APPROPRIATION.....	\$ 92,402,700
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues.....	57,029,700
14	Special revenue funds:	
15	Total private revenues.....	677,500
16	Merit award trust fund.....	4,468,700
17	Total other state restricted revenues.....	1,400,000
18	State general fund/general purpose.....	\$ 28,826,800
19	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
20	Full-time equated classified positions..... 439.5	
21	Medical services administration--415.5 FTE positions .	\$ 66,711,200
22	Facility inspection contract.....	132,800
23	MICild administration.....	4,327,800
24	Electronic health record incentive program--24.0 FTE	
25	positions	<u>144,081,400</u>
26	GROSS APPROPRIATION.....	\$ 215,253,200
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	190,711,800
3	Special revenue funds:	
4	Total local revenues.....	105,900
5	Total private revenues.....	100,000
6	Total other state restricted revenues.....	115,400
7	State general fund/general purpose.....	\$ 24,220,100
8	Sec. 119. MEDICAL SERVICES	
9	Hospital services and therapy.....	\$ 1,351,575,600
10	Hospital disproportionate share payments.....	45,000,000
11	Physician services.....	373,703,700
12	Medicare premium payments.....	404,000,000
13	Pharmaceutical services.....	279,612,900
14	Home health services.....	4,239,600
15	Hospice services.....	104,794,300
16	Transportation.....	19,651,600
17	Auxiliary medical services.....	8,963,000
18	Dental services.....	186,666,700
19	Ambulance services.....	12,253,000
20	Long-term care services.....	1,696,149,600
21	Medicaid home- and community-based services waiver...	282,393,100
22	Adult home help services.....	291,972,700
23	Personal care services.....	14,247,900
24	Program of all-inclusive care for the elderly.....	34,792,800
25	Autism services.....	17,544,600
26	Health plan services.....	4,365,050,200
27	MIChild program.....	66,264,400

1	Plan first family planning waiver.....	14,295,500
2	Medicaid adult benefits waiver.....	105,877,700
3	Special indigent care payments.....	95,738,900
4	Federal Medicare pharmaceutical program.....	184,470,300
5	Maternal and child health.....	20,279,500
6	Subtotal basic medical services program.....	9,979,537,600
7	School-based services.....	131,502,700
8	Special Medicaid reimbursement.....	390,962,100
9	Subtotal special medical services payments.....	<u>522,464,800</u>
10	GROSS APPROPRIATION.....	\$ 10,502,002,400
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues.....	7,104,340,200
14	Special revenue funds:	
15	Total local revenues.....	63,128,500
16	Total private revenues.....	2,100,000
17	Merit award trust fund.....	76,733,500
18	Total other state restricted revenues.....	1,972,928,900
19	State general fund/general purpose.....	\$ 1,282,771,300
20	Sec. 120. INFORMATION TECHNOLOGY	
21	Information technology services and projects.....	\$ 36,028,300
22	Michigan Medicaid information system.....	<u>30,201,100</u>
23	GROSS APPROPRIATION.....	\$ 66,229,400
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	44,780,800
27	Special revenue funds:	

1	Total other state restricted revenues	1,940,600
2	State general fund/general purpose	\$ 19,508,000
3	Sec. 121. ONE-TIME BASIS ONLY APPROPRIATIONS	
4	State employee lump-sum payments	\$ 4,285,300
5	Health and wellness initiatives	5,000,000
6	Hospital services and therapy - graduate medical	
7	education	4,314,200
8	Mental health services for special populations	3,000,000
9	Michigan Medicaid information system	30,000,000
10	Primary care services -- island health clinics	<u>325,000</u>
11	GROSS APPROPRIATION	\$ 46,924,500
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	Total interdepartmental grant revenues	19,700
15	Federal revenues:	
16	Total federal revenues	31,143,600
17	Special revenue funds:	
18	Total local revenues	150,400
19	Total private revenues	800
20	Total other state restricted revenues	263,500
21	State general fund/general purpose	\$ 15,346,500

22 PART 2

23 PROVISIONS CONCERNING APPROPRIATIONS

24 FOR FISCAL YEAR 2012-2013

25 GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2012-2013 is \$4,977,497,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2012-2013 is \$1,229,341,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

Community residential and support services	\$	215,800
Housing and support services		645,600
BEHAVIORAL HEALTH SERVICES		
State disability assistance program substance abuse		
services	\$	2,018,000
Community substance abuse prevention, education, and		
treatment programs		12,762,200
Medicaid mental health services		697,991,400
Community mental health non-Medicaid services		274,136,200
Mental health services for special populations		8,842,800
Medicaid adult benefits waiver		10,774,100
Medicaid substance abuse services		15,808,000
Children's waiver home care program		5,857,500
Nursing home PAS/ARR-OBRA		2,703,800
PUBLIC HEALTH ADMINISTRATION		
Health and wellness initiatives		1,803,000
HEALTH POLICY		
Primary care services	\$	88,900

1	INFECTIOUS DISEASE CONTROL		
2	AIDS prevention, testing, and care programs	\$	1,000,000
3	Immunization local agreements		1,352,000
4	Sexually transmitted disease control local agreements		175,200
5	LABORATORY SERVICES		
6	Laboratory services	\$	13,700
7	LOCAL HEALTH ADMINISTRATION AND GRANTS		
8	Implementation of 1993 PA 133, MCL 333.17015	\$	8,000
9	Essential local public health services		32,236,100
10	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
11	Cancer prevention and control program	\$	450,000
12	Chronic disease control and health promotion		
13	administration		75,000
14	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
15	Childhood lead program	\$	51,100
16	Prenatal care outreach and service delivery support ..		1,500,000
17	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
18	Medical care and treatment	\$	1,935,000
19	Outreach and advocacy		1,185,900
20	CRIME VICTIM SERVICES COMMISSION		
21	Crime victim rights services grants	\$	10,300,000
22	OFFICE OF SERVICES TO THE AGING		
23	Community services	\$	13,333,700
24	Nutrition services		8,787,000
25	Foster grandparent volunteer program		679,800
26	Retired and senior volunteer program		175,000
27	Senior companion volunteer program		215,000

1	Respite care program.....	5,384,800
2	MEDICAL SERVICES	
3	Dental services.....	\$ 1,803,200
4	Long-term care services.....	88,294,300
5	Transportation.....	4,943,700
6	Medicaid adult benefits waiver.....	8,999,600
7	Hospital services and therapy.....	2,615,100
8	Physician services.....	<u>10,180,800</u>
9	TOTAL OF PAYMENTS TO LOCAL UNITS	
10	OF GOVERNMENT.....	\$ 1,229,341,700

11 Sec. 202. The appropriations authorized under this act are
 12 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 13 to 18.1594.

14 Sec. 203. As used in this act:

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

16 (b) "CMHSP" means a community mental health services program
 17 as that term is defined in section 100a of the mental health code,
 18 1974 PA 258, MCL 330.1100a.

19 (c) "Current fiscal year" means the fiscal year ending
 20 September 30, 2013.

21 (d) "Department" means the department of community health.

22 (e) "Director" means the director of the department.

23 (f) "DSH" means disproportionate share hospital.

24 (g) "EPSDT" means early and periodic screening, diagnosis, and
 25 treatment.

26 (h) "Federal health care reform legislation" means the patient
 27 protection and affordable care act, Public Law 111-148, and the

1 health care and education reconciliation act of 2010, Public Law
2 111-152.

3 (i) "Federal poverty level" means the poverty guidelines
4 published annually in the federal register by the United States
5 department of health and human services under its authority to
6 revise the poverty line under 42 USC 9902.

7 (j) "GME" means graduate medical education.

8 (k) "Health plan" means, at a minimum, an organization that
9 meets the criteria for delivering the comprehensive package of
10 services under the department's comprehensive health plan.

11 (l) "HEDIS" means healthcare effectiveness data and information
12 set.

13 (m) "HIV" means human immunodeficiency virus.

14 (n) "HMO" means health maintenance organization.

15 (o) "IDEA" means the individuals with disabilities education
16 act, 20 USC 1400 to 1482.

17 (p) "MCH" means maternal and child health.

18 (q) "MIChild" means the program described in section 1670.

19 (r) "PAS/ARR-OBRA" means the preadmission screening and annual
20 resident review required under the omnibus budget reconciliation
21 act of 1987, section 1919(e)(7) of the social security act, and 42
22 USC 1396r.

23 (s) "PIHP" means a specialty prepaid inpatient health plan for
24 Medicaid mental health services, services to individuals with
25 developmental disabilities, and substance abuse services. Specialty
26 prepaid inpatient health plans are described in section 232b of the
27 mental health code, 1974 PA 258, MCL 330.1232b.

1 (t) "Temporary assistance for needy families" means part A of
2 title IV of the social security act, 42 USC 601 to 619.

3 (u) "Title XVIII" and "Medicare" mean title XVIII of the
4 social security act, 42 USC 1395 to 1395kkk-1.

5 (v) "Title XIX" and "Medicaid" mean title XIX of the social
6 security act, 42 USC 1396 to 1396w-5.

7 (w) "Title XX" means title XX of the social security act, 42
8 USC 1397 to 1397m-5.

9 Sec. 206. (1) In addition to the funds appropriated in part 1,
10 there is appropriated an amount not to exceed \$200,000,000.00 for
11 federal contingency funds. These funds are not available for
12 expenditure until they have been transferred to another line item
13 in this act under section 393(2) of the management and budget act,
14 1984 PA 431, MCL 18.1393.

15 (2) In addition to the funds appropriated in part 1, there is
16 appropriated an amount not to exceed \$40,000,000.00 for state
17 restricted contingency funds. These funds are not available for
18 expenditure until they have been transferred to another line item
19 in this act under section 393(2) of the management and budget act,
20 1984 PA 431, MCL 18.1393.

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

27 (4) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$20,000,000.00 for private
2 contingency funds. These funds are not available for expenditure
3 until they have been transferred to another line item in this act
4 under section 393(2) of the management and budget act, 1984 PA 431,
5 MCL 18.1393.

6 Sec. 207. By October 31, 2012, the department shall identify
7 10 principal measurable outcomes to be affected by expenditure of
8 the funds appropriated in part 1 of this act and submit a report to
9 the house and senate appropriations committees, the house and
10 senate fiscal agencies, and the state budget director that ranks
11 the outcomes by level of importance and contains current data on
12 those outcomes. Beginning on April 1, 2013, the department shall
13 provide biannual updates to the house and senate appropriations
14 committees on changes in those measurable outcomes and departmental
15 efforts to improve the outcomes.

16 Sec. 208. Unless otherwise specified, the departments shall
17 use the Internet to fulfill the reporting requirements of this act.
18 This requirement may include transmission of reports via electronic
19 mail to the recipients identified for each reporting requirement,
20 or it may include placement of reports on the Internet or Intranet
21 site.

22 Sec. 209. Funds appropriated in part 1 shall not be used for
23 the purchase of foreign goods or services, or both, if
24 competitively priced and of comparable quality American goods or
25 services, or both, are available. Preference shall be given to
26 goods or services, or both, manufactured or provided by Michigan
27 businesses if they are competitively priced and of comparable

1 quality. In addition, preference shall be given to goods or
2 services, or both, that are manufactured or provided by Michigan
3 businesses owned and operated by veterans if they are competitively
4 priced and of comparable quality.

5 Sec. 211. If the revenue collected by the department from fees
6 and collections exceeds the amount appropriated in part 1, the
7 revenue may be carried forward with the approval of the state
8 budget director into the subsequent fiscal year. The revenue
9 carried forward under this section shall be used as the first
10 source of funds in the subsequent fiscal year.

11 Sec. 212. (1) On or before February 1 of the current fiscal
12 year, the department shall report to the house and senate
13 appropriations subcommittees on community health, the house and
14 senate fiscal agencies, and the state budget director on the
15 detailed name and amounts of federal, restricted, private, and
16 local sources of revenue that support the appropriations in each of
17 the line items in part 1.

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

24 Sec. 213. The state departments, agencies, and commissions
25 receiving tobacco tax funds and healthy Michigan funds from part 1
26 shall report by April 1 of the current fiscal year to the senate
27 and house appropriations committees, the senate and house fiscal

1 agencies, and the state budget director on the following:

2 (a) Detailed spending plan by appropriation line item
3 including description of programs and a summary of organizations
4 receiving these funds.

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

7 (c) Eligibility criteria for program participation and maximum
8 benefit levels where applicable.

9 (d) Outcome measures used to evaluate programs, including
10 measures of the effectiveness of these programs in improving the
11 health of Michigan residents.

12 (e) Any other information considered necessary by the house of
13 representatives or senate appropriations committees or the state
14 budget director.

15 Sec. 216. (1) In addition to funds appropriated in part 1 for
16 all programs and services, there is appropriated for write-offs of
17 accounts receivable, deferrals, and for prior year obligations in
18 excess of applicable prior year appropriations, an amount equal to
19 total write-offs and prior year obligations, but not to exceed
20 amounts available in prior year revenues.

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

26 Sec. 218. The department shall include the following in its
27 annual list of proposed basic health services as required in part

1 23 of the public health code, 1978 PA 368, MCL 333.2301 to
2 333.2321:

3 (a) Immunizations.

4 (b) Communicable disease control.

5 (c) Sexually transmitted disease control.

6 (d) Tuberculosis control.

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

8 (f) Screening newborns for the conditions listed in section
9 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
10 recommended by the newborn screening quality assurance advisory
11 committee created under section 5430 of the public health code,
12 1978 PA 368, MCL 333.5430.

13 (g) Community health annex of the Michigan emergency
14 management plan.

15 (h) Prenatal care.

16 Sec. 219. (1) The department may contract with the Michigan
17 public health institute for the design and implementation of
18 projects and for other public health-related activities prescribed
19 in section 2611 of the public health code, 1978 PA 368, MCL
20 333.2611. The department may develop a master agreement with the
21 institute to carry out these purposes for up to a 3-year period.
22 The department shall report to the house and senate appropriations
23 subcommittees on community health, the house and senate fiscal
24 agencies, and the state budget director on or before January 1 of
25 the current fiscal year all of the following:

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

27 (b) The amount allocated for each project, the appropriation

1 line item from which the allocation is funded, and the source of
2 financing for each project.

3 (c) The expected project duration.

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

7 (2) On or before September 30 of the current fiscal year, the
8 department shall provide to the same parties listed in subsection
9 (1) a copy of all reports, studies, and publications produced by
10 the Michigan public health institute, its subcontractors, or the
11 department with the funds appropriated in part 1 and allocated to
12 the Michigan public health institute.

13 Sec. 223. The department may establish and collect fees for
14 publications, videos and related materials, conferences, and
15 workshops. Collected fees shall be used to offset expenditures to
16 pay for printing and mailing costs of the publications, videos and
17 related materials, and costs of the workshops and conferences. The
18 department shall not collect fees under this section that exceed
19 the cost of the expenditures.

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

27 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid

1 state plan amendment, or a similar proposal to the centers for
2 Medicare and Medicaid services, the department shall notify the
3 house and senate appropriations subcommittees on community health
4 and the house and senate fiscal agencies of the submission.

5 (2) The department shall provide written or verbal biannual
6 reports to the senate and house appropriations subcommittees on
7 community health and the senate and house fiscal agencies
8 summarizing the status of any new or ongoing discussions with the
9 centers for Medicare and Medicaid services or the federal
10 department of health and human services regarding potential or
11 future Medicaid waiver applications.

12 (3) The department shall inform the senate and house
13 appropriations subcommittees on community health and the senate and
14 house fiscal agencies of any alterations or adjustments made to the
15 published plan for integrated care for individuals who are dual
16 Medicare/Medicaid eligibles when the final version of the plan has
17 been submitted to the federal centers for Medicare and Medicaid
18 services or the federal department of health and human services.

19 (4) At least 30 days before implementation of the plan for
20 integrated care for individuals who are dual Medicare/Medicaid
21 eligibles, the department shall submit the plan to the legislature
22 for review.

23 Sec. 265. The department and agencies receiving appropriations
24 in part 1 shall receive and retain copies of all reports funded
25 from appropriations in part 1. Federal and state guidelines for
26 short-term and long-term retention of records shall be followed.
27 The department may electronically retain copies of reports unless

1 otherwise required by federal and state guidelines.

2 Sec. 266. (1) The departments and agencies receiving
3 appropriations in part 1 shall prepare a report on out-of-state
4 travel expenses not later than January 1 of each year. The travel
5 report shall be a listing of all travel by classified and
6 unclassified employees outside this state in the immediately
7 preceding fiscal year that was funded in whole or in part with
8 funds appropriated in the department's budget. The report shall be
9 submitted to the house and senate standing committees on
10 appropriations, the house and senate fiscal agencies, and the state
11 budget director. The report shall include the following
12 information:

13 (a) The dates of each travel occurrence.

14 (b) The total transportation and related costs of each travel
15 occurrence, including the proportion funded with state general
16 fund/general purpose revenues, the proportion funded with state
17 restricted revenues, the proportion funded with federal revenues,
18 and the proportion funded with other revenues.

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

25 Sec. 267. The department shall not take disciplinary action
26 against an employee for communicating with a member of the
27 legislature or his or her staff.

1 Sec. 270. Within 180 days after receipt of the notification
2 from the attorney general's office of a legal action in which
3 expenses had been recovered pursuant to section 106(4) of the
4 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
5 under which the department has the right to recover expenses, the
6 department shall submit a written report to the house and senate
7 appropriations subcommittees on community health, the house and
8 senate fiscal agencies, and the state budget office which includes,
9 at a minimum, all of the following:

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

11 (b) The program or service for which the money was originally
12 expended.

13 (c) Details on the disposition of the funds recovered such as
14 the appropriation or revenue account in which the money was
15 deposited.

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

17 Sec. 276. Funds appropriated in part 1 shall not be used by a
18 principal executive department, state agency, or authority to hire
19 a person to provide legal services that are the responsibility of
20 the attorney general. This prohibition does not apply to legal
21 services for bonding activities and for those outside services that
22 the attorney general authorizes.

23 Sec. 282. (1) The department, through its organizational units
24 responsible for departmental administration, operation, and
25 finance, shall establish uniform definitions, standards, and
26 instructions for the classification, allocation, assignment,
27 calculation, recording, and reporting of administrative costs by

1 the following entities:

2 (a) Coordinating agencies on substance abuse and the Salvation
3 Army harbor light program that receive payment or reimbursement
4 from funds appropriated under section 104.

5 (b) Area agencies on aging and local providers that receive
6 payment or reimbursement from funds appropriated under section 117.

7 (2) By May 15 of the current fiscal year, the department shall
8 provide a written draft of its proposed definitions, standards, and
9 instructions to the house of representatives and senate
10 appropriations subcommittees on community health, the house and
11 senate fiscal agencies, and the state budget director.

12 Sec. 287. Not later than November 30, 2012, the department
13 shall prepare and transmit a report that provides for estimates of
14 the total general fund/general purpose appropriation lapses at the
15 close of the previous fiscal year. This report shall summarize the
16 projected year-end general fund/general purpose appropriation
17 lapses by major departmental program or program areas. The report
18 shall be transmitted to the office of the state budget, the
19 chairpersons of the senate and house of representatives standing
20 appropriations committees, and the senate and house fiscal
21 agencies.

22 Sec. 292. (1) The department shall maintain a searchable
23 website accessible by the public at no cost that includes, but is
24 not limited to, all of the following:

25 (a) Fiscal year-to-date expenditures by category.

26 (b) Fiscal year-to-date expenditures by appropriation unit.

27 (c) Fiscal year-to-date payments to a selected vendor,

1 including the vendor name, payment date, payment amount, and
2 payment description.

3 (d) The number of active department employees by job
4 classification.

5 (e) Job specifications and wage rates.

6 (2) The department may develop and operate its own website to
7 provide this information or may reference the state's central
8 transparency website as the source for this information.

9 Sec. 294. Amounts appropriated in part 1 for information
10 technology may be designated as work projects and carried forward
11 to support technology projects under the direction of the
12 department of technology, management, and budget. Funds designated
13 in this manner are not available for expenditure until approved as
14 work projects under section 451a of the management and budget act,
15 1984 PA 431, MCL 18.1451a.

16 Sec. 296. Within 14 days after the release of the executive
17 budget recommendation, the department shall provide the state
18 budget director, the senate and house appropriations chairs, the
19 senate and house appropriations subcommittees on community health,
20 respectively, and the senate and house fiscal agencies with an
21 annual report on estimated state restricted fund balances, state
22 restricted fund projected revenues, and state restricted fund
23 expenditures for the fiscal years ending September 30, 2012 and
24 September 30, 2013.

25 Sec. 297. It is the intent of the legislature that all
26 principal executive departments and agencies cooperate with the
27 development and implementation of the department of technology,

1 management, and budget statewide office space consolidation plan.

2 **BEHAVIORAL HEALTH SERVICES**

3 Sec. 401. Funds appropriated in part 1 are intended to support
4 a system of comprehensive community mental health services under
5 the full authority and responsibility of local CMHSPs or PIHPs. The
6 department shall ensure that each CMHSP or PIHP provides all of the
7 following:

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

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

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

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

26 (e) A system of case management or care management to monitor

1 and ensure the provision of services consistent with the
2 individualized plan of services or supports.

3 (f) A system of continuous quality improvement.

4 (g) A system to monitor and evaluate the mental health
5 services provided.

6 (h) A system that serves at-risk and delinquent youth as
7 required under the provisions of the mental health code, 1974 PA
8 258, MCL 330.1001 to 330.2106.

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

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

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

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

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

6 Sec. 403. (1) From the funds appropriated in part 1 for mental
7 health services for special populations, the department shall
8 ensure that CMHSPs or PIHPs meet with multicultural service
9 providers to develop a workable framework for contracting, service
10 delivery, and reimbursement.

11 (2) Funds appropriated in part 1 for mental health services
12 for special populations shall not be utilized for services provided
13 to illegal immigrants, fugitive felons, and individuals who are not
14 residents of this state. The department shall maintain contracts
15 with recipients of multicultural services grants that mandate
16 grantees establish that recipients of services are legally residing
17 in the United States. An exception to the contractual provision
18 shall be allowed to address individuals presenting with emergent
19 mental health conditions.

20 (3) The department shall require an annual report from the
21 independent organizations that receive mental health services for
22 special populations funding. The annual report, due January 1 of
23 the current fiscal year, shall include specific information on
24 services and programs provided, the client base to which the
25 services and programs were provided, information on any wraparound
26 services provided, and the expenditures for those services. The
27 department shall provide the annual reports to the senate and house

1 appropriations subcommittees on community health and the senate and
2 house fiscal agencies.

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

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

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

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

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

21 (d) Data describing service outcomes that includes, but is not
22 limited to, an evaluation of consumer satisfaction, consumer
23 choice, and quality of life concerns including, but not limited to,
24 housing and employment.

25 (e) Information about access to community mental health
26 services programs that includes, but is not limited to, the
27 following:

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

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

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

6 (g) An analysis of information provided by CMHSPs in response
7 to the needs assessment requirements of the mental health code,
8 1974 PA 258, MCL 330.1001 to 330.2106, including information about
9 the number of individuals in the service delivery system who have
10 requested and are clinically appropriate for different services.

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

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

16 (i) The amount of the contract, organized by type of service
17 provided.

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

19 (iii) Administrative costs for services provided to CMHSPs or
20 PIHPs.

21 (j) Information on the community mental health Medicaid
22 managed care program, including, but not limited to, both of the
23 following:

24 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
25 eligibility group, including per eligible individual expenditure
26 averages.

27 (ii) Performance indicator information required to be submitted

1 to the department in the contracts with CMHSPs or PIHPs.

2 (k) An estimate of the number of direct care workers in local
3 residential settings and paraprofessional and other nonprofessional
4 direct care workers in settings where skill building, community
5 living supports and training, and personal care services are
6 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal
7 year employed directly or through contracts with provider
8 organizations.

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

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

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

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

1 reimbursed at the domiciliary care rate.

2 Sec. 407. (1) The amount appropriated in part 1 for substance
3 abuse prevention, education, and treatment grants shall be expended
4 for contracting with coordinating agencies. Coordinating agencies
5 shall work with CMHSPs or PIHPs to coordinate care and services
6 provided to individuals with severe and persistent mental illness
7 and substance abuse diagnoses.

8 (2) The department shall approve coordinating agency fee
9 schedules for providing substance abuse services and charge
10 participants in accordance with their ability to pay.

11 (3) It is the intent of the legislature that the coordinating
12 agencies continue current efforts to collaborate on the delivery of
13 services to those clients with mental illness and substance abuse
14 diagnoses.

15 (4) Coordinating agencies that are located completely within
16 the boundary of a PIHP shall conduct a study of the administrative
17 costs and efficiencies associated with consolidation with that
18 PIHP. If that coordinating agency realizes an administrative cost
19 savings of 5% or greater of their current costs, then that
20 coordinating agency shall initiate discussions regarding a
21 potential merger in accordance with section 6226 of the public
22 health code, 1978 PA 368, MCL 333.6226. The department shall report
23 to the legislature by April 1 of the current fiscal year on any
24 such discussions.

25 Sec. 408. (1) By April 1 of the current fiscal year, the
26 department shall report the following data from the prior fiscal
27 year on substance abuse prevention, education, and treatment

1 programs to the senate and house appropriations subcommittees on
2 community health, the senate and house fiscal agencies, and the
3 state budget office:

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

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

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

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

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

22 Sec. 410. The department shall assure that substance abuse
23 treatment is provided to applicants and recipients of public
24 assistance through the department of human services who are
25 required to obtain substance abuse treatment as a condition of
26 eligibility for public assistance.

27 Sec. 411. (1) The department shall ensure that each contract

1 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
2 programs to encourage diversion of individuals with serious mental
3 illness, serious emotional disturbance, or developmental disability
4 from possible jail incarceration when appropriate.

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

15 Sec. 412. The department shall contract directly with the
16 Salvation Army harbor light program to provide non-Medicaid
17 substance abuse services.

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

1 Sec. 424. Each PIHP that contracts with the department to
2 provide services to the Medicaid population shall adhere to the
3 following timely claims processing and payment procedure for claims
4 submitted by health professionals and facilities:

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

10 (b) A PIHP shall state in writing to the health professional
11 or facility any defect in the claim within 30 days after receipt of
12 the claim.

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

17 Sec. 428. Each PIHP shall provide, from internal resources,
18 local funds to be used as a bona fide part of the state match
19 required under the Medicaid program in order to increase capitation
20 rates for PIHPs. These funds shall not include either state funds
21 received by a CMHSP for services provided to non-Medicaid
22 recipients or the state matching portion of the Medicaid capitation
23 payments made to a PIHP.

24 Sec. 435. A county required under the provisions of the mental
25 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
26 matching funds to a CMHSP for mental health services rendered to
27 residents in its jurisdiction shall pay the matching funds in equal

1 installments on not less than a quarterly basis throughout the
2 fiscal year, with the first payment being made by October 1 of the
3 current fiscal year.

4 Sec. 458. By April 15 of the current fiscal year, the
5 department shall provide each of the following to the house and
6 senate appropriations subcommittees on community health, the house
7 and senate fiscal agencies, and the state budget director:

8 (a) An updated plan for implementing each of the
9 recommendations of the Michigan mental health commission made in
10 the commission's report dated October 15, 2004.

11 (b) A report that evaluates the cost-benefit of establishing
12 secure residential facilities of fewer than 17 beds for adults with
13 serious mental illness, modeled after such programming in Oregon or
14 other states. This report shall examine the potential impact that
15 utilization of secure residential facilities would have upon the
16 state's need for adult mental health facilities.

17 (c) In conjunction with the state court administrator's
18 office, a report that evaluates the cost-benefit of establishing a
19 specialized mental health court program that diverts adults with
20 serious mental illness alleged to have committed an offense deemed
21 nonserious into treatment prior to the filing of any charges.

22 Sec. 470. (1) For those substance abuse coordinating agencies
23 that have voluntarily incorporated into community mental health
24 authorities and accepted funding from the department for
25 administrative costs incurred pursuant to section 468, the
26 department shall establish written expectations for those CMHSPs,
27 PIHPs, and substance abuse coordinating agencies and counties with

1 respect to the integration of mental health and substance abuse
2 services. At a minimum, the written expectations shall provide for
3 the integration of those services as follows:

4 (a) Coordination and consolidation of administrative functions
5 and redirection of efficiencies into service enhancements.

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

8 (c) Alignment of coordinating agencies and PIHPs boundaries to
9 maximize opportunities for collaboration and integration of
10 administrative functions and clinical activities.

11 (2) By May 1 of the current fiscal year, the department shall
12 report to the house and senate appropriations subcommittees on
13 community health, the house and senate fiscal agencies, and the
14 state budget office on the impact and effectiveness of this section
15 and the status of the integration of mental health and substance
16 abuse services.

17 Sec. 474. The department shall ensure that each contract with
18 a CMHSP or PIHP requires the CMHSP or PIHP to provide each
19 recipient and his or her family with information regarding the
20 different types of guardianship and the alternatives to
21 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
22 reduce or restrict the ability of a recipient or his or her family
23 from seeking to obtain any form of legal guardianship without just
24 cause.

25 Sec. 490. (1) The department shall develop a plan to maximize
26 uniformity and consistency in the standards required of providers
27 contracting directly with PIHPs and CMHSPs. The standards shall

1 include, but are not limited to, contract language, training
2 requirements for direct support staff, performance indicators,
3 financial and program audits, and billing procedures.

4 (2) The department shall provide a status report to the senate
5 and house appropriations subcommittees on community health, the
6 senate and house fiscal agencies, and the state budget director on
7 implementation of the plan by July 1 of the current fiscal year.

8 Sec. 491. The department shall explore changes in program
9 policy in the habilitation supports waiver for persons with
10 developmental disabilities that would permit the movement of a slot
11 that has become available to a county that has demonstrated a
12 greater need for the services.

13 Sec. 492. If a CMHSP has entered into an agreement with a
14 county or county sheriff to provide mental health services to the
15 inmates of the county jail, the department shall not prohibit the
16 use of state general fund/general purpose dollars by CMHSPs to
17 provide mental health services to inmates of a county jail.

18 Sec. 494. (1) In order to avoid duplication of efforts, the
19 department shall utilize applicable national accreditation review
20 criteria to determine compliance with corresponding state
21 requirements for CMHSPs, PIHPs, or subcontracting provider agencies
22 that have been reviewed and accredited by a national accrediting
23 entity for behavioral health care services.

24 (2) Upon a coordinated submission by the CMHSPs, PIHPs, or
25 subcontracting provider agencies, a listing of program requirements
26 that are part of the state program review criteria but are not
27 reviewed by an applicable national accrediting entity, the

1 department shall review the listing and provide a recommendation to
2 the house and senate appropriations subcommittees on community
3 health, the house and senate fiscal agencies, and the state budget
4 office as to whether or not state program review should continue.
5 The CMHSPs, PIHPs, or subcontracting agencies may request the
6 department to convene a workgroup to fulfill this section.

7 (3) The department shall continue to comply with state and
8 federal law and shall not initiate an action that negatively
9 impacts beneficiary safety.

10 (4) As used in this section, "national accrediting entity"
11 means the joint commission on accreditation of healthcare
12 organizations, the commission on accreditation of rehabilitation
13 facilities, the council of accreditation, or other appropriate
14 entity, as approved by the department.

15 (5) By July 1 of the current fiscal year, the department shall
16 provide a progress report to the house and senate appropriations
17 subcommittees on community health, the house and senate fiscal
18 agencies, and the state budget office on implementation of this
19 section.

20 Sec. 495. It is the intent of the legislature that the
21 department begin working with the centers for Medicare and Medicaid
22 services to develop a program that creates a medical home for the
23 individuals receiving Medicaid mental health benefits.

24 Sec. 496. CMHSPs and PIHPs are permitted to offset state
25 funding reductions by limiting the administrative component of
26 their contracts with providers and case management to a maximum of
27 9%.

1 Sec. 497. The population data used in determining the
2 distribution of substance abuse block grant funds shall be from the
3 most recent federal census.

4 Sec. 498. (1) The department shall use standard program
5 evaluation measures to assess the effectiveness of heroin and other
6 opiates treatment programs provided through coordinating agencies
7 and service providers in reducing and preventing the incidence of
8 substance use disorders. The measures established by the department
9 shall be modeled after the program outcome measures and best
10 practice guidelines for the treatment of heroin and other opiates
11 as prescribed by the federal substance abuse and mental health
12 services administration.

13 (2) By May 15 of the current fiscal year, the department shall
14 provide a report to the house and senate appropriations
15 subcommittees on community health, the house and senate fiscal
16 agencies, and the state budget office on the effectiveness of
17 treatment programs for heroin and other opiates.

18 Sec. 499. The department shall explore ways to use mental
19 health funding to address the mental health needs of deaf and hard-
20 of-hearing persons. The department shall report to the senate and
21 house appropriations subcommittees on community health on the
22 results of this process by March 1 of the current fiscal year.

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

24 Sec. 601. The department shall continue a revenue recapture
25 project to generate additional revenues from third parties related
26 to cases that have been closed or are inactive. A portion of

1 revenues collected through project efforts may be used for
2 departmental costs and contractual fees associated with these
3 retroactive collections and to improve ongoing departmental
4 reimbursement management functions.

5 Sec. 602. The purpose of gifts and bequests for patient living
6 and treatment environments is to use additional private funds to
7 provide specific enhancements for individuals residing at state-
8 operated facilities. Use of the gifts and bequests shall be
9 consistent with the stipulation of the donor. The expected
10 completion date for the use of gifts and bequests donations is
11 within 3 years unless otherwise stipulated by the donor.

12 Sec. 605. (1) The department shall not implement any closures
13 or consolidations of state hospitals, centers, or agencies until
14 CMHSPs or PIHPs have programs and services in place for those
15 individuals currently in those facilities and a plan for service
16 provision for those individuals who would have been admitted to
17 those facilities.

18 (2) All closures or consolidations are dependent upon adequate
19 department-approved CMHSP and PIHP plans that include a discharge
20 and aftercare plan for each individual currently in the facility. A
21 discharge and aftercare plan shall address the individual's housing
22 needs. A homeless shelter or similar temporary shelter arrangements
23 are inadequate to meet the individual's housing needs.

24 (3) Four months after the certification of closure required in
25 section 19(6) of the state employees' retirement act, 1943 PA 240,
26 MCL 38.19, the department shall provide a closure plan to the house
27 and senate appropriations subcommittees on community health and the

1 state budget director.

2 (4) Upon the closure of state-run operations and after
3 transitional costs have been paid, the remaining balances of funds
4 appropriated for that operation shall be transferred to CMHSPs or
5 PIHPs responsible for providing services for individuals previously
6 served by the operations.

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

16 Sec. 608. Effective October 1, 2012, the department, in
17 consultation with the department of technology, management, and
18 budget, may maintain a bid process to identify 1 or more private
19 contractors to provide food service and custodial services for the
20 administrative areas at any state hospital identified by the
21 department as capable of generating savings through the outsourcing
22 of such services.

23 PUBLIC HEALTH ADMINISTRATION

24 Sec. 650. The department shall report to the senate and house
25 appropriations subcommittees on community health by April 1 of the
26 current fiscal year on its criteria and methodology used to derive

1 the information provided to residents in the annual Michigan fish
2 advisory.

3 Sec. 654. From the funds appropriated in part 1 for health and
4 wellness initiatives, \$1,000,000.00 shall be allocated for a pilot
5 before- and after-school healthy exercise program to promote and
6 advance physical health for school children in kindergarten through
7 grade 6. The department shall develop a model for program sites
8 that incorporates evidence-based best practices. The department
9 shall establish guidelines for program sites, which may include
10 public schools, community-based organizations, private facilities,
11 recreation centers, or other similar sites. The program format
12 shall encourage local determination of site activities and shall
13 encourage local inclusion of youth in the decision-making regarding
14 site activities. Program goals shall include children experiencing
15 good physical health, the reduction of obesity, providing a safe
16 place to play and exercise, and nutrition education. To be eligible
17 to participate in the pilot, program sites shall provide a 20%
18 match to the state funding. The department shall seek financial
19 support from corporate, foundation, or other private partners for
20 the program or for individual program sites.

21 **HEALTH POLICY**

22 Sec. 704. The department shall continue to contract with
23 grantees supported through the appropriation in part 1 for the
24 emergency medical services grants and contracts to ensure that a
25 sufficient number of qualified emergency medical services personnel
26 exist to serve rural areas of the state.

1 Sec. 709. (1) The funds appropriated in part 1 for the
2 Michigan essential health care provider program may also provide
3 loan repayment for dentists that fit the criteria established by
4 part 27 of the public health code, 1978 PA 368, MCL 333.2701 to
5 333.2727.

6 (2) From the funds appropriated in part 1 for the Michigan
7 essential health provider program, the department may reduce the
8 local and private share of the loan repayment costs to 25% for
9 obstetricians and gynecologists working in underserved areas.

10 Sec. 712. From the funds appropriated in part 1 for primary
11 care services, \$250,000.00 shall be allocated to free health
12 clinics operating in the state. The department shall distribute the
13 funds equally to each free health clinic. For the purpose of this
14 appropriation, "free health clinics" means nonprofit organizations
15 that use volunteer health professionals to provide care to
16 uninsured individuals.

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

20 Sec. 715. The department shall evaluate options for
21 incentivizing students attending medical schools in this state to
22 meet their primary care residency requirements in this state and
23 ultimately, for some period of time, to remain in this state and
24 serve as primary care physicians.

25 Sec. 716. (1) The department is encouraged to create and
26 implement a pilot program limited to counties with a population of
27 less than 100,000 to incentivize students attending medical schools

1 in Michigan through a loan repayment program or other approaches
2 for committing to provide medical services in rural counties with a
3 medically underserved population. The program shall be limited to
4 those students or individuals performing primary care or specialty
5 services as identified by the department.

6 (2) By no later than September 30 of the current fiscal year,
7 the department shall prepare a report and submit it to the senate
8 and house appropriations subcommittees on community health, the
9 senate and house fiscal agencies, and the state budget director.
10 The department shall evaluate the effectiveness of the pilot
11 program, identify potential changes to improve the program, and
12 make recommendations for statewide implementation in its report
13 under this subsection.

14 INFECTIOUS DISEASE CONTROL

15 Sec. 804. The department, in conjunction with efforts to
16 implement the Michigan prisoner reentry initiative, shall cooperate
17 with the department of corrections to share data and information as
18 they relate to prisoners being released who are HIV positive or
19 positive for the hepatitis C antibody.

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 be used to reimburse local health departments for

1 costs incurred related to implementation of section 17015(18) of
2 the public health code, 1978 PA 368, MCL 333.17015.

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

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

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

26 (3) Distributions in subsection (1) shall be made only to
27 counties that maintain local spending in the current fiscal year of

1 at least the amount expended in fiscal year 1992-1993 for the
2 services described in subsection (1).

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

4 Sec. 1004. It is the intent of the legislature that the
5 department continue to collaborate with the county of St. Clair and
6 the city of Detroit southwest community to investigate and evaluate
7 cancer rates.

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

9 Sec. 1103. By January 3 of the current fiscal year the
10 department shall annually issue to the legislature, and to the
11 public on the Internet, a report providing estimated public funds
12 administered by the department for family planning, sexually
13 transmitted infection prevention and treatment, and pregnancies and
14 births, as well as demographics collected by the department as
15 voluntarily self-reported by individuals utilizing those services.
16 The department shall provide the actual expenditures by marital
17 status or, where actual expenditures are not available, shall
18 provide estimated expenditures by marital status. The department
19 may utilize the Plan First application (Form MSA 1582), MICHild,
20 and Healthy Kids application (DCH 0373) or Assistance Application
21 (DHS 1171) or any other official application for public assistance
22 for medical coverage to determine the actual or estimated public
23 expenditures based on marital status.

24 Sec. 1104. (1) Before April 1 of the current fiscal year, the
25 department shall submit a report to the house and senate fiscal

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

7 (a) Funding allocations.

8 (b) Actual number of women, children, and adolescents served
9 and amounts expended for each group for the immediately preceding
10 fiscal year.

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

13 (2) The department shall ensure that the distribution of funds
14 through the programs described in subsection (1) takes into account
15 the needs of rural communities.

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

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

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.

7 (2) Not later than December 1 of the current fiscal year, the
8 department shall report to the senate and house appropriations
9 subcommittees on community health and the senate and house standing
10 committees on health policy the number of individual patients
11 treated, number of procedures performed, and approximate total
12 market value of those procedures from the immediately preceding
13 fiscal year.

14 Sec. 1117. Contingent upon the availability of federal or
15 state restricted funds, the department may pursue efforts to reduce
16 the incidence of stillbirth. Efforts shall include the
17 establishment of a program to increase public awareness of
18 stillbirth, promote education to monitor fetal movements counting
19 kicks, promote a uniform definition of stillbirth, standardize data
20 collection of stillbirths, and collaborate with appropriate federal
21 agencies and statewide organizations. The department shall seek
22 federal or other grant funds to assist in implementing this
23 program.

24 Sec. 1119. From the funds appropriated in part 1 for family
25 planning local agreements or pregnancy prevention programs, no
26 state funds shall be used to encourage or support abortion
27 services.

1 Sec. 1135. (1) If funds become available, provision of the
2 school health education curriculum, such as the Michigan model for
3 health or another comprehensive school health education curriculum,
4 shall be in accordance with the health education goals established
5 by the Michigan model steering committee. The steering committee
6 shall be composed of a representative from each of the following
7 offices and departments:

8 (a) The department of education.

9 (b) The department of community health.

10 (c) The health administration in the department of community
11 health.

12 (d) The behavioral health and developmental disabilities
13 administration in the department of community health.

14 (e) The department of human services.

15 (f) The department of state police.

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

26 Sec. 1136. From the funds appropriated in part 1 for prenatal
27 care outreach and service delivery support, \$2,000,000.00 shall be

1 allocated for a real alternatives pregnancy and parenting support
2 services program as a pilot project. Funding for the program shall
3 be from the federal temporary assistance for needy families grant.
4 The department shall establish a fee-for-service contract with 1 or
5 more qualified agencies to provide free counseling, support, and
6 referral services to eligible women during pregnancy through 12
7 months after birth. As appropriate, the goals for client outcomes
8 shall include an increase of counseling support, childbirth choice,
9 and adoption knowledge and an improvement in parenting skills and
10 knowledge of reproductive health. The department shall provide for
11 counselor training, client educational material, program marketing,
12 and annual provider site monitoring.

13 Sec. 1137. From the funds appropriated in part 1 for prenatal
14 care outreach and service delivery support, not less than
15 \$1,000,000.00 shall be allocated for the nurse family partnership
16 program from federal temporary assistance for needy families grant
17 funds. The funds shall be used for enhanced support and education
18 to nursing teams and for client recruitment in high-need
19 communities. The funds shall also be used for a nurse family
20 partnership program in a city with a population of 600,000 or more
21 for strategic planning to expand and sustain the program and for
22 marketing and communications of the program to raise awareness,
23 engage stakeholders, and recruit nurses.

24 Sec. 1138. The department shall allocate funds appropriated in
25 section 113 of part 1 for family, maternal, and children's health
26 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

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

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

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

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

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

10 (d) Provide human growth hormone to eligible patients.

11 Sec. 1204. By October 1, 2012, the department shall report to
12 the senate and house appropriations committees on community health
13 and the senate and house fiscal agencies on its plan for enrolling
14 Medicaid eligible children's special health care services
15 recipients in the Medicaid health plans. The report shall include
16 information on which Medicaid health plans are participating, the
17 methods used to assure continuity of care and continuity of ongoing
18 relationships with providers, and projected savings from the
19 implementation of the proposal.

20 **CRIME VICTIM SERVICES COMMISSION**

21 Sec. 1302. From the funds appropriated in part 1 for justice
22 assistance grants, up to \$200,000.00 shall be allocated for
23 expansion of forensic nurse examiner programs to facilitate
24 training for improved evidence collection for the prosecution of
25 sexual assault. The funds shall be used for program coordination
26 and training.

1 OFFICE OF SERVICES TO THE AGING

2 Sec. 1403. (1) By February 1 of the current fiscal year, the
3 office of services to the aging shall require each region to report
4 to the office of services to the aging and to the legislature home-
5 delivered meals waiting lists based upon standard criteria.

6 Determining criteria shall include all of the following:

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

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

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

11 (d) Any other qualifications normally necessary for the
12 recipient to receive home-delivered meals.

13 (2) Data required in subsection (1) shall be recorded only for
14 individuals who have applied for participation in the home-
15 delivered meals program and who are initially determined as likely
16 to be eligible for home-delivered meals.

17 Sec. 1417. The department shall provide to the senate and
18 house appropriations subcommittees on community health, senate and
19 house fiscal agencies, and state budget director a report by March
20 30 of the current fiscal year that contains all of the following:

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

23 (b) Detail expenditure by each area agency on aging by
24 individual program and administration including both state-funded
25 resources and locally-funded resources.

26 Sec. 1420. If funds become available, the department shall

1 create a pilot project to establish an aging care management
2 services program with services provided solely by nurses. This
3 pilot project shall be established in a county with a population
4 greater than 150,000 but less than 250,000.

5 Sec. 1421. From the funds appropriated in part 1 for community
6 services, \$1,100,000.00 shall be allocated to area agencies on
7 aging for locally determined needs.

8 **MEDICAL SERVICES ADMINISTRATION**

9 Sec. 1501. The unexpended funds appropriated in part 1 for the
10 electronic health records incentive program are considered work
11 project appropriations, and any unencumbered or unallotted funds
12 are carried forward into the following fiscal year. The following
13 is in compliance with section 451a(1) of the management and budget
14 act, 1984 PA 431, MCL 18.1451a:

15 (a) The purpose of the project to be carried forward is to
16 implement the Medicaid electronic health record program that
17 provides financial incentive payments to Medicaid health care
18 providers to encourage the adoption and meaningful use of
19 electronic health records to improve quality, increase efficiency,
20 and promote safety.

21 (b) The projects will be accomplished according to the
22 approved federal advanced planning document.

23 (c) The estimated cost of this project phase is identified in
24 the appropriation line item.

25 (d) The tentative completion date for the work project is
26 September 30, 2017.

1 **MEDICAL SERVICES**

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

7 Sec. 1603. (1) The department may establish a program for
8 individuals to purchase medical coverage at a rate determined by
9 the department.

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

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

15 (4) The department shall modify program policies to permit
16 individuals eligible for the transitional medical assistance plus
17 program, as structured in fiscal year 2009-2010, to access medical
18 assistance coverage through a 100% cost share.

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

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

1 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
2 condition is pregnancy, shall immediately be presumed to be
3 eligible for Medicaid coverage unless the preponderance of evidence
4 in her application indicates otherwise. The applicant who is
5 qualified as described in this subsection shall be allowed to
6 select or remain with the Medicaid participating obstetrician of
7 her choice.

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

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

27 (4) If the preponderance of evidence in an application

1 indicates that the applicant is not eligible for Medicaid, the
2 department shall refer that applicant to the nearest public health
3 clinic or similar entity as a potential source for receiving
4 pregnancy-related services.

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

8 (6) The department shall mandate enrollment of women, whose
9 qualifying condition is pregnancy, into Medicaid managed care
10 plans.

11 (7) The department shall encourage physicians to provide
12 women, whose qualifying condition for Medicaid is pregnancy, with a
13 referral to a Medicaid participating dentist at the first
14 pregnancy-related appointment.

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

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

7 Sec. 1620. (1) For fee-for-service recipients who do not
8 reside in nursing homes, the pharmaceutical dispensing fee shall be
9 \$2.75 or the pharmacy's usual or customary cash charge, whichever
10 is less. For nursing home residents, the pharmaceutical dispensing
11 fee shall be \$3.00 or the pharmacy's usual or customary cash
12 charge, whichever is less.

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

17 Sec. 1627. (1) The department shall use procedures and rebate
18 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,
19 to secure quarterly rebates from pharmaceutical manufacturers for
20 outpatient drugs dispensed to participants in the MICHild program,
21 maternal outpatient medical services program, and children's
22 special health care services.

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

26 Sec. 1629. The department shall utilize maximum allowable cost
27 pricing for generic drugs that is based on wholesaler pricing to

1 providers that is available from at least 2 wholesalers who deliver
2 in the state of Michigan.

3 Sec. 1630. (1) Medicaid coverage for adult dental and
4 podiatric services shall continue at not less than the level in
5 effect on October 1, 2002, except that reasonable utilization
6 limitations may be adopted in order to prevent excess utilization.

7 (2) Medicaid coverage for adult chiropractic and vision
8 services shall continue at not less than the level in effect on
9 October 1, 2002, except that reasonable utilization limitations may
10 be adopted in order to prevent excess utilization.

11 Sec. 1631. (1) The department shall require co-payments on
12 dental, podiatric, and vision services provided to Medicaid
13 recipients, except as prohibited by federal or state law or
14 regulation.

15 (2) Except as otherwise prohibited by federal or state law or
16 regulations, the department shall require Medicaid recipients to
17 pay the following co-payments:

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

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

20 (c) Fifty dollars for the first day of an inpatient hospital
21 stay.

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

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

27 Sec. 1657. (1) Reimbursement for medical services to screen

1 and stabilize a Medicaid recipient, including stabilization of a
2 psychiatric crisis, in a hospital emergency room shall not be made
3 contingent on obtaining prior authorization from the recipient's
4 HMO. If the recipient is discharged from the emergency room, the
5 hospital shall notify the recipient's HMO within 24 hours of the
6 diagnosis and treatment received.

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

11 (3) Subsections (1) and (2) do not require an alteration to an
12 existing agreement between an HMO and its contracting hospitals and
13 do not require an HMO to reimburse for services that are not
14 considered to be medically necessary.

15 Sec. 1659. The following sections of this act are the only
16 ones that shall apply to the following Medicaid managed care
17 programs, including the comprehensive plan, MIChoice long-term care
18 plan, and the mental health, substance abuse, and developmentally
19 disabled services program: 404, 411, 418, 428, 474, 494, 1607,
20 1657, 1662, 1689, 1699, 1740, 1764, 1815, 1820, 1835, 1850, and
21 1863.

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

27 (2) The department shall require Medicaid HMOs to provide

1 EPSDT utilization data through the encounter data system, and HEDIS
2 well child health measures in accordance with the national
3 committee for quality assurance prescribed methodology.

4 (3) The department shall provide a copy of the analysis of the
5 Medicaid HMO annual audited HEDIS reports and the annual external
6 quality review report to the senate and house of representatives
7 appropriations subcommittees on community health, the senate and
8 house fiscal agencies, and the state budget director, within 30
9 days of the department's receipt of the final reports from the
10 contractors.

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

23 (2) The department may provide up to 1 year of continuous
24 eligibility to children eligible for the MICHild program unless the
25 family fails to pay the monthly premium, a child reaches age 19, or
26 the status of the children's family changes and its members no
27 longer meet the eligibility criteria as specified in the federally

1 approved MICHild state plan.

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

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

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

17 (a) "Dental care corporation", "health care corporation",
18 "insurer", and "prudent purchaser agreement" mean those terms as
19 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
20 550.52.

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

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

25 (7) The department may make payments on behalf of children
26 enrolled in the MICHild program from the line-item appropriation
27 associated with the program as described in the MICHild state plan

1 approved by the United States department of health and human
2 services, or from other medical services.

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

8 (9) The department shall develop an automatic enrollment
9 algorithm that is based on quality and performance factors.

10 (10) MICHild services shall include treatment for autism
11 spectrum disorders for children who are eligible for MICHild and
12 are 18 years of age or younger.

13 Sec. 1673. The department may establish premiums for MICHild
14 eligible individuals in families with income above 150% of the
15 federal poverty level. The monthly premiums shall not be less than
16 \$10.00 or exceed \$15.00 for a family.

17 Sec. 1677. The MICHild program shall provide all benefits
18 available under the state employee insurance plan that are
19 delivered through contracted providers and consistent with federal
20 law, including, but not limited to, the following medically
21 necessary services:

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

26 (b) Outpatient mental health services, other than substance
27 abuse services, including services furnished in a state-operated

1 mental hospital and community-based services.

2 (c) Durable medical equipment and prosthetic and orthotic
3 devices.

4 (d) Dental services as outlined in the approved MICHild state
5 plan.

6 (e) Substance abuse treatment services that may include
7 inpatient, outpatient, and residential substance abuse treatment
8 services.

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

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

12 (h) Emergency ambulance services.

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

16 (2) In addition to the appropriations in part 1, the
17 department is authorized to receive and spend penalty money
18 received as the result of noncompliance with medical services
19 certification regulations. Penalty money, characterized as private
20 funds, received by the department shall increase authorizations and
21 allotments in the long-term care accounts.

22 (3) The department is authorized to provide civil monetary
23 penalty funds to the disability network/Michigan to be distributed
24 to the 15 centers for independent living for the purpose of
25 assisting individuals with disabilities who reside in nursing homes
26 to return to their own homes.

27 (4) The department is authorized to use civil monetary penalty

1 funds to conduct a survey evaluating consumer satisfaction and the
2 quality of care at nursing homes. Factors can include, but are not
3 limited to, the level of satisfaction of nursing home residents,
4 their families, and employees. The department may use an
5 independent contractor to conduct the survey.

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

8 Sec. 1684. The department shall submit a report by September
9 30 of the current fiscal year to the house and senate
10 appropriations subcommittees on community health, the house and
11 senate fiscal agencies, and the state budget director that will
12 identify by waiver agent, Medicaid home- and community-based
13 services waiver costs by administration, case management, and
14 direct services.

15 Sec. 1689.(1) Within 60 days of the end of each fiscal year,
16 the department shall provide a report to the senate and house
17 appropriations subcommittees on community health and the senate and
18 house fiscal agencies that details existing and future allocations
19 for the home- and community-based services waiver program by
20 regions as well as the associated expenditures. The report shall
21 include information regarding the net cost savings from moving
22 individuals from a nursing home to the home- and community-based
23 services waiver program, the number of individuals transitioned
24 from nursing homes to the home- and community-based services waiver
25 program, the number of individuals on waiting lists by region for
26 the program, and the amount of funds transferred during the fiscal
27 year. The report shall also include the number of Medicaid

1 individuals served and the number of days of care for the home- and
2 community-based services waiver program and in nursing homes.

3 (2) The department shall develop a system to collect and
4 analyze information regarding individuals on the home- and
5 community-based services waiver program waiting list to identify
6 the community supports they receive, including, but not limited to,
7 adult home help, food assistance, and housing assistance services
8 and to determine the extent to which these community supports help
9 individuals remain in their home and avoid entry into a nursing
10 home. The department shall provide a progress report on
11 implementation to the senate and house appropriations subcommittees
12 on community health and the senate and house fiscal agencies by
13 June 1 of the current fiscal year.

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

23 (2) From the funds appropriated in part 1 for medical services
24 school-based services payments, the department is authorized to do
25 all of the following:

26 (a) Finance activities within the medical services
27 administration related to this project.

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

4 (c) Offset general fund costs associated with the medical
5 services program.

6 Sec. 1693. The special Medicaid reimbursement appropriation in
7 part 1 may be increased if the department submits a medical
8 services state plan amendment pertaining to this line item at a
9 level higher than the appropriation. The department is authorized
10 to appropriately adjust financing sources in accordance with the
11 increased appropriation.

12 Sec. 1694. (1) The department shall distribute \$1,122,300.00
13 for poison control services to an academic health care system that
14 includes a children's hospital that has a high indigent care
15 volume.

16 (2) By March 1 of the current fiscal year, the department
17 shall report to the senate and house appropriations subcommittees
18 on community health and the senate and house fiscal agencies on the
19 adequacy of the payment described in subsection (1).

20 Sec. 1699. (1) The department may make separate payments in
21 the amount of \$45,000,000.00 directly to qualifying hospitals
22 serving a disproportionate share of indigent patients and to
23 hospitals providing GME training programs. If direct payment for
24 GME and DSH is made to qualifying hospitals for services to
25 Medicaid clients, hospitals shall not include GME costs or DSH
26 payments in their contracts with HMOs.

27 (2) The department shall allocate \$45,000,000.00 in DSH

1 funding using the distribution methodology used in fiscal year
2 2003-2004.

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

8 Sec. 1724. The department shall allow licensed pharmacies to
9 purchase injectable drugs for the treatment of respiratory
10 syncytial virus for shipment to physicians' offices to be
11 administered to specific patients. If the affected patients are
12 Medicaid eligible, the department shall reimburse pharmacies for
13 the dispensing of the injectable drugs and reimburse physicians for
14 the administration of the injectable drugs.

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

20 Sec. 1741. The department shall continue to provide nursing
21 homes the opportunity to receive interim payments upon their
22 request. The department may disapprove requests or discontinue
23 interim payments that result in financial risk to this state. The
24 department shall make reasonable efforts to ensure that the interim
25 payments are as similar in amount to expected cost-settled
26 payments.

27 Sec. 1756. The department shall develop a plan to expand and

1 improve the beneficiary monitoring program. The department shall
2 submit this plan to the house and senate appropriations
3 subcommittees on community health, the house and senate fiscal
4 agencies, and the state budget director by April 1 of the current
5 fiscal year.

6 Sec. 1757. The department shall direct the department of human
7 services to obtain proof from all Medicaid recipients that they are
8 legal United States citizens or otherwise legally residing in this
9 country and that they are residents of this state before approving
10 Medicaid eligibility.

11 Sec. 1764. The department shall annually certify rates paid to
12 Medicaid health plans and specialty prepaid inpatient health plans
13 as being actuarially sound in accordance with federal requirements
14 and shall provide a copy of the rate certification and approval
15 immediately to the house and senate appropriations subcommittees on
16 community health and the house and senate fiscal agencies.

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

1 Sec. 1775. If the state's application for a waiver to
2 implement managed care for dual Medicare/Medicaid eligibles is
3 approved by the federal government, the department shall provide
4 quarterly reports to the senate and house appropriations
5 subcommittees on community health and the senate and house fiscal
6 agencies on progress in implementing the waiver.

7 Sec. 1777. From the funds appropriated in part 1 for long-term
8 care services, the department shall permit, in accordance with
9 applicable federal and state law, nursing homes to use dining
10 assistants to feed eligible residents if legislation to permit the
11 use of dining assistants is enacted into law. The department shall
12 not be responsible for costs associated with training dining
13 assistants.

14 Sec. 1793. The department shall consider the development of a
15 pilot project that focuses on the prevention of preventable
16 hospitalizations from nursing homes.

17 Sec. 1804. The department, in cooperation with the department
18 of human services, shall work with the federal public assistance
19 reporting information system to identify Medicaid recipients who
20 are veterans and who may be eligible for federal veterans health
21 care benefits or other benefits.

22 Sec. 1815. From the funds appropriated in part 1 for health
23 plan services, the department shall not implement a capitation
24 withhold as part of the overall capitation rate schedule that
25 exceeds the 0.19% withhold administered during fiscal year 2008-
26 2009.

27 Sec. 1820. (1) In order to avoid duplication of efforts, the

1 department shall utilize applicable national accreditation review
2 criteria to determine compliance with corresponding state
3 requirements for Medicaid health plans that have been reviewed and
4 accredited by a national accrediting entity for health care
5 services.

6 (2) Upon submission by Medicaid health plans of a listing of
7 program requirements that are part of the state program review
8 criteria but are not reviewed by an applicable national accrediting
9 entity, the department shall review the listing and provide a
10 recommendation to the house and senate appropriations subcommittees
11 on community health, the house and senate fiscal agencies, and the
12 state budget office as to whether or not state program review
13 should continue. The Medicaid health plans may request the
14 department to convene a workgroup to fulfill this section.

15 (3) The department shall continue to comply with state and
16 federal law and shall not initiate an action that negatively
17 impacts beneficiary safety.

18 (4) As used in this section, "national accrediting entity"
19 means the national committee for quality assurance, the utilization
20 review accreditation committee, or other appropriate entity, as
21 approved by the department.

22 (5) By July 1 of the current fiscal year, the department shall
23 provide a progress report to the house and senate appropriations
24 subcommittees on community health, the house and senate fiscal
25 agencies, and the state budget office on implementation of this
26 section.

27 Sec. 1822. The department, the department's contracted

1 Medicaid pharmacy benefit manager, and all Medicaid health plans
2 shall implement coverage for a mental health prescription drug
3 within 30 days of that drug's approval by the department's pharmacy
4 and therapeutics committee.

5 Sec. 1832. (1) The department shall continue efforts to
6 standardize billing formats, referral forms, electronic
7 credentialing, primary source verification, electronic billing and
8 attachments, claims status, eligibility verification, and reporting
9 of accepted and rejected encounter records received in the
10 department data warehouse.

11 (2) The department shall convene a workgroup on making e-
12 billing mandatory for the Medicaid program. The workgroup shall
13 include representatives from medical provider organizations,
14 Medicaid HMOs, and the department. The department shall report to
15 the legislature on the findings of the workgroup by April 1 of the
16 current fiscal year.

17 (3) The department shall provide a report by April 1 of the
18 current fiscal year to the senate and house appropriations
19 subcommittees on community health and the senate and house fiscal
20 agencies detailing the percentage of claims for Medicaid
21 reimbursement provided to the department that were initially
22 rejected in the first quarter of fiscal year 2012-2013.

23 Sec. 1835. The department shall develop and implement
24 processes to report rejected and accepted encounters to Medicaid
25 health plans. The department shall further enhance encounter data
26 reporting processes and program rules that make each health plan's
27 encounter data as complete as possible, provide a fair measure of

1 acuity for each health plan's enrolled population for risk
2 adjustment purposes, and minimize health plan administrative
3 expenses.

4 Sec. 1836. In addition to the guidelines established in
5 Medical Services Administration Bulletin MSA 09-28, medically
6 necessary optical devices and other treatment services for adult
7 Medicaid patients shall be covered when conventional treatments do
8 not provide functional vision correction. Such ocular conditions
9 include, but are not limited to, congenital or acquired ocular
10 disease or eye trauma.

11 Sec. 1837. The department shall explore utilization of
12 telemedicine and telepsychiatry as strategies to increase access to
13 services for Medicaid recipients in medically underserved areas.

14 Sec. 1842. (1) Subject to the availability of funds, the
15 department shall adjust the hospital outpatient Medicaid
16 reimbursement rate for qualifying hospitals as provided in this
17 section. The Medicaid reimbursement rate for qualifying hospitals
18 shall be adjusted to provide each qualifying hospital with its
19 actual cost of delivering outpatient services to Medicaid
20 recipients.

21 (2) As used in this section, "qualifying hospital" means a
22 hospital that has not more than 50 staffed beds and is either
23 located outside a metropolitan statistical area or in a
24 metropolitan statistical area but within a city, village, or
25 township with a population of not more than 12,000 according to the
26 official 2000 federal decennial census and within a county with a
27 population of not more than 165,000 according to the official 2000

1 federal decennial census.

2 Sec. 1846. (1) The department shall conduct research on the
3 effectiveness of graduate medical education funding.

4 (2) The research shall do all of the following:

5 (a) Identify physician shortages by practice and geographic
6 area.

7 (b) Consider efforts by other states to use graduate medical
8 education funding to address shortages.

9 (c) Consider policy changes to the graduate medical education
10 program to reduce practitioner shortages.

11 (3) The department shall report the results of the research to
12 the senate and house appropriations subcommittees on community
13 health, the senate and house fiscal agencies, and the state budget
14 director by April 1 of the current fiscal year.

15 Sec. 1847. The department shall meet with the Michigan
16 association of ambulance services to discuss the possible structure
17 of an ambulance quality assurance assessment program.

18 Sec. 1850. The department may allow Medicaid health plans to
19 assist with the redetermination process through outreach activities
20 to ensure continuation of Medicaid eligibility and enrollment in
21 managed care. This may include mailings, telephone contact, or
22 face-to-face contact with beneficiaries enrolled in the individual
23 Medicaid health plan. Health plans may offer assistance in
24 completing paperwork for beneficiaries enrolled in their plan.

25 Sec. 1854. The department may work with a provider of kidney
26 dialysis services and renal care as authorized under section 2703
27 of the patient protection and affordable care act, Public Law 111-

1 148, to develop a chronic condition health home program for
2 Medicaid enrollees identified with chronic kidney disease and who
3 are beginning dialysis. If initiated, the department shall develop
4 metrics that evaluate program effectiveness and submit a report by
5 June 1 of the current fiscal year to the senate and house
6 appropriations subcommittees on community health. Metrics shall
7 include cost savings and clinical outcomes.

8 Sec. 1855. The department may consider the feasibility of a
9 revenue-neutral, financially risk-averse Medicaid patient
10 optimization solution for the support of emergency department
11 redirection for non-emergent patients.

12 Sec. 1857. It is the intent of the legislature that the
13 department not reduce Medicaid reimbursement for wheelchairs.

14 Sec. 1858. Medicaid services shall include treatment for
15 autism spectrum disorders for children who are eligible for
16 Medicaid and are 18 years of age or younger.

17 Sec. 1860. The department may receive separate reports from
18 the health care association of Michigan, the Michigan county
19 medical care facility council, and aging services of Michigan
20 regarding each group's proposal to design and implement a Medicaid
21 reimbursement payment system for nursing facilities that
22 incorporates changes to both the plant and variable components. The
23 department shall provide copies of any reports received pursuant to
24 this section to the senate and house appropriations subcommittees
25 on community health and the senate and house fiscal agencies by
26 July 1 of the current fiscal year.

27 Sec. 1861. Nonemergency medical transportation services

1 offered to Medicaid recipients may be competitively bid and may
2 take into consideration a minimum of 2 bids by qualified vendors, 1
3 of which must be a public transportation agency where such agencies
4 offer service. For the purpose of this section, "qualified vendor"
5 means a transportation provider that either meets or exceeds the
6 quality and safety standards of public transportation agencies,
7 including, but not limited to, ongoing training requirements for
8 motor vehicle operators including training on passenger safety,
9 passenger assistance, and assistive devices, including wheelchair
10 lifts, tie-down equipment, and child safety seats. In addition, a
11 qualified vendor shall be able to document that all drivers have
12 complied with all state licensing regulations and that they have
13 passed a criminal background check and successfully passed a drug
14 screening test.

15 Sec. 1862. From the funds appropriated in part 1, the
16 department shall use \$11,901,200.00 to increase reimbursement rates
17 for Medicaid obstetrical services by 20%.

18 Sec. 1863. For the purposes of the next rebidding of contracts
19 with Medicaid health plans, the department shall study the
20 possibility of excluding health plans that score in the lowest
21 quartile on quality indicators from eligibility to bid.

22 Sec. 1865. Upon federal approval of the department's proposal
23 for integrated care for individuals who are dual Medicare/Medicaid
24 eligibles, the department shall provide the senate and house
25 appropriations subcommittees on community health and the senate and
26 house fiscal agencies its plan and organizational chart for
27 administering and providing oversight of this proposal. The plan

1 shall include information on how the department intends to organize
2 staff in an integrated manner to ensure that key components of the
3 proposal are implemented effectively.

4 Sec. 1866. (1) From the funds appropriated in part 1 for
5 hospital services and therapy, \$12,000,000.00 in general
6 fund/general purpose revenue and any associated federal match shall
7 be awarded to hospitals that meet criteria established by the
8 department for services to low-income rural residents.

9 (2) No hospital or hospital system shall receive more than
10 5.0% of the total funding referenced in subsection (1).

11 (3) The department shall report to the senate and house
12 appropriations subcommittees on community health and the senate and
13 house fiscal agencies on the distribution of funds referenced in
14 subsection (1) by April 1 of the current fiscal year.

15 PART 2A

16 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

17 FOR FISCAL YEAR 2013-2014

18 GENERAL SECTIONS

19 Sec. 2001. It is the intent of the legislature to provide
20 appropriations for the fiscal year ending on September 30, 2014 for
21 the line items listed in part 1. The fiscal year 2013-2014
22 appropriations are anticipated to be the same as those for fiscal
23 year 2012-2013, except that the line items will be adjusted for
24 changes in caseload and related costs, federal fund match rates,
25 economic factors, and available revenue. These adjustments will be

1 determined after the January 2013 consensus revenue estimating
2 conference.