

**SUBSTITUTE FOR
SENATE BILL NO. 172**

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1
LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2011-2012

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, 2012, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

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

Full-time equated classified positions..... 3,634.2

Average population 893.0

GROSS APPROPRIATION..... \$ 14,241,316,400

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 6,569,400

ADJUSTED GROSS APPROPRIATION..... \$ 14,234,747,000

Federal revenues:

Total federal revenues..... 8,986,611,000

Special revenue funds:

Total local revenues..... 250,605,900

Total private revenues..... 96,494,700

Merit award trust fund..... 86,744,500

Total other state restricted revenues..... 2,043,107,400

State general fund/general purpose..... \$ 2,771,183,500

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

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

Full-time equated classified positions..... 175.2

Director and other unclassified--6.0 FTE positions ... \$ 583,900

Departmental administration and management--165.2 FTE

1	positions	21,787,400
2	Worker's compensation program.....	8,754,700
3	Rent and building occupancy.....	9,252,200
4	Developmental disabilities council and projects--10.0	
5	FTE positions	<u>2,855,700</u>
6	GROSS APPROPRIATION.....	\$ 43,233,900
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	13,632,700
10	Special revenue funds:	
11	Total private revenues.....	35,100
12	Total other state restricted revenues.....	749,500
13	State general fund/general purpose.....	\$ 28,816,600
14	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
15	ADMINISTRATION AND SPECIAL PROJECTS	
16	Full-time equated classified positions..... 111.5	
17	Mental health/substance abuse program administration--	
18	110.5 FTE positions	\$ 17,586,800
19	Gambling addiction--1.0 FTE position.....	3,000,000
20	Protection and advocacy services support	194,400
21	Community residential and support services.....	1,777,200
22	Federal and other special projects.....	2,497,200
23	Family support subsidy.....	19,470,500
24	Housing and support services.....	<u>9,306,800</u>
25	GROSS APPROPRIATION.....	\$ 53,832,900
26	Appropriated from:	
27	Federal revenues:	

1	Total federal revenues.....	37,101,600
2	Special revenue funds:	
3	Total private revenues.....	390,000
4	Total other state restricted revenues.....	3,000,000
5	State general fund/general purpose.....	\$ 13,341,300
6	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE	
7	SERVICES PROGRAMS	
8	Full-time equated classified positions..... 9.5	
9	Medicaid mental health services.....	\$ 2,149,977,900
10	Community mental health non-Medicaid services.....	273,908,100
11	Medicaid adult benefits waiver.....	32,056,100
12	Mental health services for special populations.....	5,842,800
13	Medicaid substance abuse services.....	46,709,700
14	CMHSP, purchase of state services contracts.....	134,201,900
15	Civil service charges.....	1,499,300
16	Federal mental health block grant--2.5 FTE positions .	15,397,500
17	State disability assistance program substance abuse	
18	services	2,018,800
19	Community substance abuse prevention, education, and	
20	treatment programs	81,737,500
21	Children's waiver home care program.....	18,944,800
22	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,179,300
23	Children with serious emotional disturbance waiver...	<u>8,188,000</u>
24	GROSS APPROPRIATION.....	\$ 2,782,661,700
25	Appropriated from:	
26	Interdepartmental grant revenues:	
27	Interdepartmental grant from the department of human	

1	services	2,769,000
2	Federal revenues:	
3	Total federal revenues.....	1,584,568,500
4	Special revenue funds:	
5	Total local revenues.....	25,228,900
6	Total other state restricted revenues.....	22,314,900
7	State general fund/general purpose.....	\$ 1,147,780,400
8	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
9	MENTAL HEALTH SERVICES	
10	Total average population	893.0
11	Full-time equated classified positions.....	2,194.2
12	Caro regional mental health center - psychiatric	
13	hospital - adult--468.3 FTE positions.....	\$ 56,772,200
14	Average population	185.0
15	Kalamazoo psychiatric hospital - adult--483.1 FTE	
16	positions	54,782,400
17	Average population	189.0
18	Walter P. Reuther psychiatric hospital - adult--433.3	
19	FTE positions	52,297,800
20	Average population	234.0
21	Hawthorn center - psychiatric hospital - children and	
22	adolescents--230.9 FTE positions.....	27,075,900
23	Average population	75.0
24	Center for forensic psychiatry--578.6 FTE positions..	66,767,900
25	Average population	210.0
26	Revenue recapture.....	750,000
27	IDEA, federal special education.....	120,000

1	Special maintenance.....	332,500
2	Purchase of medical services for residents of	
3	hospitals and centers	445,600
4	Gifts and bequests for patient living and treatment	
5	environment	<u>1,000,000</u>
6	GROSS APPROPRIATION.....	\$ 260,344,300
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	Federal revenues:	
10	Total federal revenues.....	29,921,200
11	Special revenue funds:	
12	CMHSP, purchase of state services contracts	134,201,900
13	Other local revenues.....	17,494,500
14	Total private revenues.....	1,000,000
15	Total other state restricted revenues.....	15,948,400
16	State general fund/general purpose.....	\$ 61,778,300
17	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
18	Full-time equated classified positions..... 91.7	
19	Public health administration--7.3 FTE positions	\$ 1,557,200
20	Healthy Michigan fund programs.....	5,000,000
21	Minority health grants and contracts--3.0 FTE	
22	positions	612,700
23	Promotion of healthy behaviors.....	975,900
24	Vital records and health statistics--81.4 FTE	
25	positions	<u>9,442,800</u>
26	GROSS APPROPRIATION.....	\$ 17,588,600
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	Interdepartmental grant from the department of human	
3	services	1,171,500
4	Federal revenues:	
5	Total federal revenues	4,887,900
6	Special revenue funds:	
7	Total private revenues	300,000
8	Total other state restricted revenues	9,974,700
9	State general fund/general purpose	\$ 1,254,500
10	Sec. 107. HEALTH POLICY	
11	Full-time equated classified positions.....	66.8
12	Emergency medical services program state staff--	23.0
13	FTE positions	\$ 4,850,300
14	Emergency medical services grants and services	660,000
15	Health policy administration--24.4 FTE positions	4,150,800
16	Nurse education and research program--3.0 FTE	
17	positions	744,200
18	Certificate of need program administration--14.0 FTE	
19	positions	2,071,100
20	Rural health services--1.0 FTE position	1,410,300
21	Michigan essential health provider	872,700
22	Primary care services--1.4 FTE positions	<u>2,886,900</u>
23	GROSS APPROPRIATION	\$ 17,646,300
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	Interdepartmental grant from the department of	
27	treasury, Michigan state hospital finance authority.	116,300

1	Interdepartmental grant from the department of	
2	licensing and regulatory affairs.....	2,040,700
3	Federal revenues:	
4	Total federal revenues.....	5,432,600
5	Special revenue funds:	
6	Total local revenues.....	100,000
7	Total private revenues.....	255,000
8	Total other state restricted revenues.....	6,232,600
9	State general fund/general purpose.....	\$ 3,469,100
10	Sec. 108. INFECTIOUS DISEASE CONTROL	
11	Full-time equated classified positions.....	50.7
12	AIDS prevention, testing, and care programs--	12.7 FTE
13	positions	\$ 59,449,300
14	Immunization local agreements.....	11,975,200
15	Immunization program management and field support--	
16	15.0 FTE positions	1,786,300
17	Pediatric AIDS prevention and control--	1.0 FTE
18	position	1,231,400
19	Sexually transmitted disease control local agreements	3,360,700
20	Sexually transmitted disease control management and	
21	field support--22.0 FTE positions.....	<u>3,743,300</u>
22	GROSS APPROPRIATION.....	\$ 81,546,200
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	43,541,200
26	Special revenue funds:	
27	Total private revenues.....	27,707,700

1	Total other state restricted revenues	7,470,600
2	State general fund/general purpose	\$ 2,826,700
3	Sec. 109. LABORATORY SERVICES	
4	Full-time equated classified positions.....	111.0
5	Laboratory services--111.0 FTE positions	\$ <u>17,183,900</u>
6	GROSS APPROPRIATION.....	\$ 17,183,900
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	Interdepartmental grant from the department of	
10	environmental quality	471,900
11	Federal revenues:	
12	Total federal revenues	2,092,300
13	Special revenue funds:	
14	Total other state restricted revenues	8,267,600
15	State general fund/general purpose	\$ 6,352,100
16	Sec. 110. EPIDEMIOLOGY	
17	Full-time equated classified positions.....	126.7
18	AIDS surveillance and prevention program	\$ 2,254,100
19	Asthma prevention and control--2.6 FTE positions	856,900
20	Bioterrorism preparedness--66.6 FTE positions	49,286,900
21	Epidemiology administration--40.0 FTE positions	8,202,000
22	Lead abatement program--7.0 FTE positions	2,647,700
23	Newborn screening follow-up and treatment services--	
24	10.5 FTE positions	5,337,800
25	Tuberculosis control and prevention	<u>867,000</u>
26	GROSS APPROPRIATION.....	\$ 69,452,400
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	61,271,300
3	Special revenue funds:	
4	Total private revenues.....	25,000
5	Total other state restricted revenues.....	6,367,900
6	State general fund/general purpose.....	\$ 1,788,200
7	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
8	Full-time equated classified positions..... 2.0	
9	Essential local public health services.....	\$ 37,386,100
10	Implementation of 1993 PA 133, MCL 333.17015.....	20,000
11	Local health services--2.0 FTE positions.....	500,000
12	Medicaid outreach cost reimbursement to local health	
13	departments	<u>9,000,000</u>
14	GROSS APPROPRIATION.....	\$ 46,906,100
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues.....	9,500,000
18	Special revenue funds:	
19	Total local revenues.....	5,150,000
20	State general fund/general purpose.....	\$ 32,256,100
21	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND	
22	HEALTH PROMOTION	
23	Full-time equated classified positions..... 75.5	
24	Cancer prevention and control program--12.0 FTE	
25	positions	\$ 14,298,200
26	Chronic disease control and health promotion	
27	administration--33.4 FTE positions.....	5,950,100

1	Diabetes and kidney program--12.2 FTE positions	1,777,600
2	Public health traffic safety coordination--1.0 FTE	
3	position	87,500
4	Smoking prevention program--14.0 FTE positions	2,075,000
5	Violence prevention--2.9 FTE positions	<u>2,123,200</u>
6	GROSS APPROPRIATION.....	\$ 26,311,600
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	23,884,200
10	Special revenue funds:	
11	Total private revenues.....	61,600
12	Total other state restricted revenues.....	649,700
13	State general fund/general purpose.....	\$ 1,716,100
14	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
15	SERVICES	
16	Full-time equated classified positions..... 55.1	
17	Childhood lead program--6.0 FTE positions.....	\$ 1,598,400
18	Dental programs--3.0 FTE positions.....	992,000
19	Dental program for persons with developmental	
20	disabilities	151,000
21	Family, maternal, and children's health services	
22	administration--43.6 FTE positions.....	6,047,700
23	Family planning local agreements.....	9,085,700
24	Local MCH services.....	7,018,100
25	Pregnancy prevention program.....	602,100
26	Prenatal care outreach and service delivery support ..	3,794,200
27	Special projects--2.5 FTE positions.....	8,397,800

1	Sudden infant death syndrome program.....		<u>321,300</u>
2	GROSS APPROPRIATION.....	\$	38,008,300
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		32,846,800
6	Special revenue funds:		
7	Total local revenues.....		75,000
8	State general fund/general purpose.....	\$	5,086,500
9	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND		
10	NUTRITION PROGRAM		
11	Full-time equated classified positions.....	45.0	
12	Women, infants, and children program administration		
13	and special projects--45.0 FTE positions.....	\$	15,900,800
14	Women, infants, and children program local agreements		
15	and food costs		<u>253,825,500</u>
16	GROSS APPROPRIATION.....	\$	269,726,300
17	Appropriated from:		
18	Federal revenues:		
19	Total federal revenues.....		211,112,500
20	Special revenue funds:		
21	Total private revenues.....		58,613,800
22	State general fund/general purpose.....	\$	0
23	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
24	Full-time equated classified positions.....	47.8	
25	Children's special health care services		
26	administration--45.0 FTE positions.....	\$	5,245,700
27	Bequests for care and services--2.8 FTE positions		1,511,400

1	Outreach and advocacy.....	3,773,500
2	Nonemergency medical transportation.....	2,679,300
3	Medical care and treatment.....	<u>294,056,500</u>
4	GROSS APPROPRIATION.....	\$ 307,266,400
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	175,308,200
8	Special revenue funds:	
9	Total private revenues.....	996,800
10	Total other state restricted revenues.....	3,843,600
11	State general fund/general purpose.....	\$ 127,117,800
12	Sec. 116. CRIME VICTIM SERVICES COMMISSION	
13	Full-time equated classified positions.....	13.0
14	Grants administration services--13.0 FTE positions ...	\$ 1,811,300
15	Justice assistance grants.....	19,106,100
16	Crime victim rights services grants.....	<u>16,570,000</u>
17	GROSS APPROPRIATION.....	\$ 37,487,400
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	23,467,200
21	Special revenue funds:	
22	Total other state restricted revenues.....	14,020,200
23	State general fund/general purpose.....	\$ 0
24	Sec. 117. OFFICE OF SERVICES TO THE AGING	
25	Full-time equated classified positions.....	43.5
26	Office of services to aging administration--43.5 FTE	
27	positions	\$ 6,408,800

1	Community services.....	35,314,400
2	Nutrition services.....	35,430,200
3	Foster grandparent volunteer program.....	2,233,600
4	Retired and senior volunteer program.....	627,300
5	Senior companion volunteer program.....	1,604,400
6	Employment assistance.....	3,792,500
7	Respite care program.....	<u>5,868,700</u>
8	GROSS APPROPRIATION.....	\$ 91,279,900
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	57,159,200
12	Special revenue funds:	
13	Total private revenues.....	677,500
14	Merit award trust fund.....	4,468,700
15	Total other state restricted revenues.....	1,400,000
16	State general fund/general purpose.....	\$ 27,574,500
17	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
18	Full-time equated classified positions..... 415.0	
19	Medical services administration--415.0 FTE positions .	\$ 65,057,000
20	Facility inspection contract.....	132,800
21	MICChild administration.....	<u>4,327,800</u>
22	GROSS APPROPRIATION.....	\$ 69,517,600
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	47,476,900
26	Special revenue funds:	
27	Total local revenues.....	105,900

1	Total private revenues.....	100,000
2	Total other state restricted revenues.....	110,100
3	State general fund/general purpose.....	\$ 21,724,700
4	Sec. 119. MEDICAL SERVICES	
5	Hospital services and therapy.....	\$ 1,273,299,300
6	Hospital disproportionate share payments.....	45,000,000
7	Physician services.....	303,223,900
8	Medicare premium payments.....	409,169,400
9	Pharmaceutical services.....	338,717,500
10	Home health services.....	6,791,100
11	Hospice services.....	139,637,700
12	Transportation.....	16,009,800
13	Auxiliary medical services.....	6,252,100
14	Dental services.....	162,930,800
15	Ambulance services.....	10,900,000
16	Long-term care services.....	1,686,454,600
17	Medicaid home- and community-based services waiver...	229,921,000
18	Adult home help services.....	289,032,800
19	Personal care services.....	14,421,500
20	Program of all-inclusive care for the elderly.....	30,707,800
21	Health plan services.....	4,093,812,400
22	MIChild program.....	51,753,100
23	Plan first family planning waiver.....	13,089,200
24	Medicaid adult benefits waiver.....	105,877,700
25	Special indigent care payments.....	88,518,500
26	Federal Medicare pharmaceutical program.....	185,599,300
27	Maternal and child health.....	20,279,500

1	Subtotal basic medical services program.....	9,521,399,000
2	School-based services.....	91,296,500
3	Special Medicaid reimbursement.....	339,382,000
4	Subtotal special medical services payments.....	<u>430,678,500</u>
5	GROSS APPROPRIATION.....	\$ 9,952,077,500
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	6,579,215,500
9	Special revenue funds:	
10	Total local revenues.....	68,249,700
11	Total private revenues.....	6,332,200
12	Merit award trust fund.....	82,275,800
13	Total other state restricted revenues.....	1,940,891,700
14	State general fund/general purpose.....	\$ 1,275,112,600
15	Sec. 120. INFORMATION TECHNOLOGY	
16	Information technology services and projects.....	\$ 33,521,400
17	Michigan Medicaid information system.....	<u>25,723,700</u>
18	GROSS APPROPRIATION.....	\$ 59,245,100
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	44,191,200
22	Special revenue funds:	
23	Total other state restricted revenues.....	1,865,900
24	State general fund/general purpose.....	\$ 13,188,000

25 PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2011-2012

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 2011-2012 is \$4,901,035,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$1,417,739,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

AND SPECIAL PROJECTS

Community residential and support services	\$	258,500
Housing and support services		599,800
COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
State disability assistance program substance abuse		
services	\$	2,018,000
Community substance abuse prevention, education, and		
treatment programs		14,576,700
Medicaid mental health services		702,753,600
Community mental health non-Medicaid services		273,908,100
Mental health services for special populations		5,842,800
Medicaid adult benefits waiver		10,854,200
Medicaid substance abuse services		15,815,900
Children's waiver home care program		5,906,800
Nursing home PASARR		2,717,200

1	HEALTH POLICY, REGULATION, AND PROFESSIONS		
2	Primary care services.....	\$	88,900
3	INFECTIOUS DISEASE CONTROL		
4	AIDS prevention, testing, and care programs.....	\$	1,000,000
5	Sexually transmitted disease control local agreements		175,200
6	LABORATORY SERVICES		
7	Laboratory services.....	\$	13,700
8	LOCAL HEALTH ADMINISTRATION AND GRANTS		
9	Implementation of 1993 PA 133, MCL 333.17015.....	\$	8,000
10	Essential local public health services.....		32,256,100
11	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
12	Cancer prevention and control program.....	\$	450,000
13	Chronic disease control and health promotion		
14	administration		75,000
15	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
16	Childhood lead program.....	\$	51,100
17	Prenatal care outreach and service delivery support ..		1,500,000
18	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
19	Medical care and treatment.....	\$	1,409,900
20	Outreach and advocacy.....		1,237,500
21	MEDICAL SERVICES		
22	Dental services.....	\$	2,536,000
23	Long-term care services.....		285,952,300
24	Transportation.....		2,971,900
25	Medicaid adult benefits waiver.....		6,246,800
26	Hospital services and therapy.....		4,965,500
27	Physician services.....		3,774,800

1 OFFICE OF SERVICES TO THE AGING

2	Community services.....	\$	12,233,500
3	Nutrition services.....		8,787,000
4	Foster grandparent volunteer program.....		679,800
5	Retired and senior volunteer program.....		175,000
6	Senior companion volunteer program.....		215,000
7	Respite care program.....		5,384,800

8 CRIME VICTIM SERVICES COMMISSION

9	Crime victim rights services grants.....	\$	<u>10,300,000</u>
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10 TOTAL OF PAYMENTS TO LOCAL UNITS

11	OF GOVERNMENT.....	\$	1,417,739,700
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12 Sec. 202. The appropriations authorized under this act are
 13 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 14 to 18.1594.

15 Sec. 203. As used in this act:

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

17 (b) "CMHSP" means a community mental health services program
 18 as that term is defined in section 100a of the mental health code,
 19 1974 PA 258, MCL 330.1100a.

20 (c) "Current fiscal year" means the fiscal year ending
 21 September 30, 2012.

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

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

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

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

27 (h) "Federal health care reform legislation" means the patient

1 protection and affordable care act, Public Law 111-148, and the
2 health care and education reconciliation act of 2010, Public Law
3 111-152.

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

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

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

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

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

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

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

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

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

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

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

1 mental health code, 1974 PA 258, MCL 330.1232b.

2 (t) "Title XVIII" and "Medicare" mean title XVIII of the
3 social security act, 42 USC 1395 to 1395kkk.

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

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

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

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

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

26 (4) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$20,000,000.00 for private

1 contingency funds. These funds are not available for expenditure
2 until they have been transferred to another line item in this act
3 under section 393(2) of the management and budget act, 1984 PA 431,
4 MCL 18.1393.

5 Sec. 208. Unless otherwise specified, the departments shall
6 use the Internet to fulfill the reporting requirements of this act.
7 This requirement may include transmission of reports via electronic
8 mail to the recipients identified for each reporting requirement,
9 or it may include placement of reports on the Internet or Intranet
10 site.

11 Sec. 209. Funds appropriated in part 1 shall not be used for
12 the purchase of foreign goods or services, or both, if
13 competitively priced and of comparable quality American goods or
14 services, or both, are available. Preference shall be given to
15 goods or services, or both, manufactured or provided by Michigan
16 businesses if they are competitively priced and of comparable
17 quality. In addition, preference shall be given to goods or
18 services, or both, that are manufactured or provided by Michigan
19 businesses owned and operated by veterans if they are competitively
20 priced and of comparable quality.

21 Sec. 210. The director shall take all reasonable steps to
22 ensure that businesses in deprived and depressed communities
23 compete for and perform contracts to provide services or supplies,
24 or both. The director shall strongly encourage firms with which the
25 department contracts to subcontract with certified businesses in
26 depressed and deprived communities for services, supplies, or both.

27 Sec. 211. If the revenue collected by the department from fees

1 and collections exceeds the amount appropriated in part 1, the
2 revenue may be carried forward with the approval of the state
3 budget director into the subsequent fiscal year. The revenue
4 carried forward under this section shall be used as the first
5 source of funds in the subsequent fiscal year.

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

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

19 Sec. 213. The state departments, agencies, and commissions
20 receiving tobacco tax funds and healthy Michigan funds from part 1
21 shall report by April 1 of the current fiscal year to the senate
22 and house appropriations committees, the senate and house fiscal
23 agencies, and the state budget director on the following:

24 (a) Detailed spending plan by appropriation line item
25 including description of programs and a summary of organizations
26 receiving these funds.

27 (b) Description of allocations or bid processes including need

1 or demand indicators used to determine allocations.

2 (c) Eligibility criteria for program participation and maximum
3 benefit levels where applicable.

4 (d) Outcome measures used to evaluate programs, including
5 measures of the effectiveness of these programs in improving the
6 health of Michigan residents.

7 (e) Any other information considered necessary by the house of
8 representatives or senate appropriations committees or the state
9 budget director.

10 Sec. 215. (1) The department shall report to the house and
11 senate appropriations subcommittees on the budget for the
12 department, the joint committee on administrative rules, and the
13 senate and house fiscal agencies by no later than April 1 of the
14 current fiscal year on each specific policy change made by the
15 department to implement a public act affecting that department that
16 took effect during the preceding calendar year.

17 (2) Funds appropriated in part 1 shall not be used by the
18 department to adopt a rule that will apply to a small business and
19 that will have a disproportionate economic impact on small
20 businesses because of the size of those businesses if the
21 department fails to reduce the disproportionate economic impact of
22 the rule on small businesses as provided under section 40 of the
23 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

24 (3) As used in this section:

25 (a) "Rule" means that term as defined under section 7 of the
26 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

27 (b) "Small business" means that term as defined under section

1 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
2 24.207a.

3 Sec. 216. (1) In addition to funds appropriated in part 1 for
4 all programs and services, there is appropriated for write-offs of
5 accounts receivable, deferrals, and for prior year obligations in
6 excess of applicable prior year appropriations, an amount equal to
7 total write-offs and prior year obligations, but not to exceed
8 amounts available in prior year revenues.

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

14 Sec. 218. The department shall include the following in its
15 annual list of proposed basic health services as required in part
16 23 of the public health code, 1978 PA 368, MCL 333.2301 to
17 333.2321:

18 (a) Immunizations.

19 (b) Communicable disease control.

20 (c) Sexually transmitted disease control.

21 (d) Tuberculosis control.

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

23 (f) Screening newborns for the conditions listed in section
24 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
25 recommended by the newborn screening quality assurance advisory
26 committee created under section 5430 of the public health code,
27 1978 PA 368, MCL 333.5430.

1 (g) Community health annex of the Michigan emergency
2 management plan.

3 (h) Prenatal care.

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

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

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

18 (c) The expected project duration.

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

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

1 Sec. 223. The department may establish and collect fees for
2 publications, videos and related materials, conferences, and
3 workshops. Collected fees shall be used to offset expenditures to
4 pay for printing and mailing costs of the publications, videos and
5 related materials, and costs of the workshops and conferences. The
6 department shall not collect fees under this section that exceed
7 the cost of the expenditures.

8 Sec. 259. From the funds appropriated in part 1 for
9 information technology, departments and agencies shall pay user
10 fees to the department of technology, management, and budget for
11 technology-related services and projects. The user fees shall be
12 subject to provisions of an interagency agreement between the
13 department and agencies and the department of technology,
14 management, and budget.

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

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

27 Sec. 265. The department and agencies receiving appropriations

1 in part 1 shall receive and retain copies of all reports funded
2 from appropriations in part 1. Federal and state guidelines for
3 short-term and long-term retention of records shall be followed.
4 The department may electronically retain copies of reports unless
5 otherwise required by federal and state guidelines.

6 Sec. 266. (1) Due to the current budgetary problems in this
7 state, out-of-state travel for the fiscal year ending September 30,
8 2012 shall be limited to situations in which 1 or more of the
9 following conditions apply:

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

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

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

18 (d) The travel is necessary to comply with federal
19 requirements.

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

22 (f) The travel is financed entirely by federal or nonstate
23 funds.

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

1 to the senate and house of representatives standing committees on
2 appropriations.

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

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

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

16 (b) The program or service for which the money was originally
17 expended.

18 (c) Details on the disposition of the funds recovered such as
19 the appropriation or revenue account in which the money was
20 deposited.

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

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

1 Sec. 282. (1) The department, through its organizational units
2 responsible for departmental administration, operation, and
3 finance, shall establish uniform definitions, standards, and
4 instructions for the classification, allocation, assignment,
5 calculation, recording, and reporting of administrative costs by
6 the following entities:

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

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

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

17 Sec. 287. Not later than November 15, 2011, the department
18 shall prepare and transmit a report that provides for estimates of
19 the total general fund/general purpose appropriation lapses at the
20 close of the previous fiscal year. This report shall summarize the
21 projected year-end general fund/general purpose appropriation
22 lapses by major departmental program or program areas. The report
23 shall be transmitted to the office of the state budget, the
24 chairpersons of the senate and house of representatives standing
25 appropriations committees, and the senate and house fiscal
26 agencies.

27 Sec. 292. (1) The department shall maintain a searchable

1 website accessible by the public at no cost that includes, but is
2 not limited to, all of the following:

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

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

5 (c) Fiscal year-to-date payments to a selected vendor,
6 including the vendor name, payment date, payment amount, and
7 payment description.

8 (d) The number of active department employees by job
9 classification.

10 (e) Job specifications and wage rates.

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

14 Sec. 294. Amounts appropriated in part 1 for information
15 technology may be designated as work projects and carried forward
16 to support technology projects under the direction of the
17 department of technology, management, and budget. Funds designated
18 in this manner are not available for expenditure until approved as
19 work projects under section 451a of the management and budget act,
20 1984 PA 431, MCL 18.1451a.

21 Sec. 295. The department shall explore program and other
22 service areas, including eligibility determination, where
23 privatization may lead to increased efficiencies and budgetary
24 savings.

25 Sec. 296. Within 14 days after the release of the executive
26 budget recommendation, the department shall provide the state
27 budget director, the senate and house appropriations chairs, the

senate and house appropriations subcommittees on community health, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

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

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

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

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

(d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from

1 psychiatric hospitals or centers, and that ensure the full range of
2 recipient needs is addressed through the CMHSP's or PIHP's program
3 or through assistance with locating and obtaining services to meet
4 these needs.

5 (e) A system of case management or care management to monitor
6 and ensure the provision of services consistent with the
7 individualized plan of services or supports.

8 (f) A system of continuous quality improvement.

9 (g) A system to monitor and evaluate the mental health
10 services provided.

11 (h) A system that serves at-risk and delinquent youth as
12 required under the provisions of the mental health code, 1974 PA
13 258, MCL 330.1001 to 330.2106.

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

27 (2) The department shall immediately report to the senate and

1 house appropriations subcommittees on community health, the senate
2 and house fiscal agencies, and the state budget director if either
3 of the following occurs:

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

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

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

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

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

25 (3) The department shall require an annual report from the
26 independent organizations that receive mental health services for
27 special populations funding. The annual report, due January 1 of

1 the current fiscal year, shall include specific information on
2 services and programs provided, the client base to which the
3 services and programs were provided, information on any wrap around
4 services provided, and the expenditures for those services. The
5 department shall provide the annual reports to the senate and house
6 appropriations subcommittees on community health and the senate and
7 house fiscal agencies.

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

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

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

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

21 (c) Financial information that, minimally, includes a
22 description of funding authorized; expenditures by client group and
23 fund source; and cost information by service category, including
24 administration. Service category includes all department-approved
25 services.

26 (d) Data describing service outcomes that includes, but is not
27 limited to, an evaluation of consumer satisfaction, consumer

1 choice, and quality of life concerns including, but not limited to,
2 housing and employment.

3 (e) Information about access to community mental health
4 services programs that includes, but is not limited to, the
5 following:

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

7 (ii) The number of people who requested services but did not
8 receive services.

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

11 (g) An analysis of information provided by CMHSPs in response
12 to the needs assessment requirements of the mental health code,
13 1974 PA 258, MCL 330.1001 to 330.2106, including information about
14 the number of individuals in the service delivery system who have
15 requested and are clinically appropriate for different services.

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

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

21 (i) The amount of the contract, organized by type of service
22 provided.

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

24 (iii) Administrative costs for services provided to CMHSPs or
25 PIHPs.

26 (j) Information on the community mental health Medicaid
27 managed care program, including, but not limited to, both of the

1 following:

2 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
3 eligibility group, including per eligible individual expenditure
4 averages.

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

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

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

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

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

27 (2) The department shall reimburse all licensed substance

1 abuse programs eligible to participate in the program at a rate
2 equivalent to that paid by the department of human services to
3 adult foster care providers. Programs accredited by department-
4 approved accrediting organizations shall be reimbursed at the
5 personal care rate, while all other eligible programs shall be
6 reimbursed at the domiciliary care rate.

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

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

16 (3) It is the intent of the legislature that the coordinating
17 agencies continue current efforts to collaborate on the delivery of
18 services to those clients with mental illness and substance abuse
19 diagnoses.

20 (4) Coordinating agencies that are located completely within
21 the boundary of a PIHP shall conduct a study of the administrative
22 costs and efficiencies associated with consolidation with that
23 PIHP. If that coordinating agency realizes an administrative cost
24 savings of 5% or greater of their current costs, then that
25 coordinating agency shall initiate discussions regarding a
26 potential merger in accordance with section 6226 of the public
27 health code, 1978 PA 368, MCL 333.6226. The department shall report

1 to the legislature by April 1 of the current fiscal year on any
2 such discussions.

3 Sec. 408. (1) By April 1 of the current fiscal year, the
4 department shall report the following data from the prior fiscal
5 year on substance abuse prevention, education, and treatment
6 programs to the senate and house appropriations subcommittees on
7 community health, the senate and house fiscal agencies, and the
8 state budget office:

9 (a) Expenditures stratified by coordinating agency, by central
10 diagnosis and referral agency, by fund source, by subcontractor, by
11 population served, and by service type. Additionally, data on
12 administrative expenditures by coordinating agency shall be
13 reported.

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

16 (c) Number of services provided by central diagnosis and
17 referral agency, by subcontractor, and by service type.
18 Additionally, data on length of stay, referral source, and
19 participation in other state programs.

20 (d) Collections from other first- or third-party payers,
21 private donations, or other state or local programs, by
22 coordinating agency, by subcontractor, by population served, and by
23 service type.

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

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

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

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

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

20 Sec. 412. The department shall contract directly with the
21 Salvation Army harbor light program to provide non-Medicaid
22 substance abuse services.

23 Sec. 418. On or before the tenth of each month, the department
24 shall report to the senate and house appropriations subcommittees
25 on community health, the senate and house fiscal agencies, and the
26 state budget director on the amount of funding paid to PIHPs to
27 support the Medicaid managed mental health care program in the

1 preceding month. The information shall include the total paid to
2 each PIHP, per capita rate paid for each eligibility group for each
3 PIHP, and number of cases in each eligibility group for each PIHP,
4 and year-to-date summary of eligibles and expenditures for the
5 Medicaid managed mental health care program.

6 Sec. 424. Each PIHP that contracts with the department to
7 provide services to the Medicaid population shall adhere to the
8 following timely claims processing and payment procedure for claims
9 submitted by health professionals and facilities:

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

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

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

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

1 payments made to a PIHP.

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

9 Sec. 458. By April 15 of the current fiscal year, the
10 department shall provide each of the following to the house and
11 senate appropriations subcommittees on community health, the house
12 and senate fiscal agencies, and the state budget director:

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

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

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

27 Sec. 462. (1) With the exception of administrative costs, in

1 order to implement the fiscal year 2011-2012 funding reduction to
2 the community mental health non-Medicaid services line, the
3 department shall further implement the funding formula that was
4 partially implemented during fiscal year 2009-2010 in which the
5 funding reduction does not exceed 4% for each CMHSP.

6 (2) The department may convene a workgroup including CMHSPs
7 regarding the allocation of the current fiscal year administrative
8 reduction of up to \$3,400,000.00.

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

22 (a) The department provides funding for the administrative
23 costs incurred by coordinating agencies incorporating into
24 community mental health authorities. The department shall not
25 provide more than \$75,000.00 to any coordinating agency for
26 administrative costs.

27 (b) The accommodations or adjustments favor coordinating

1 agencies who voluntarily elect to integrate with local community
2 mental health authorities.

3 (c) The accommodations or adjustments do not negatively affect
4 other coordinating agencies.

5 Sec. 470. (1) For those substance abuse coordinating agencies
6 that have voluntarily incorporated into community mental health
7 authorities and accepted funding from the department for
8 administrative costs incurred pursuant to section 468, the
9 department shall establish written expectations for those CMHSPs,
10 PIHPs, and substance abuse coordinating agencies and counties with
11 respect to the integration of mental health and substance abuse
12 services. At a minimum, the written expectations shall provide for
13 the integration of those services as follows:

14 (a) Coordination and consolidation of administrative functions
15 and redirection of efficiencies into service enhancements.

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

18 (c) Alignment of coordinating agencies and PIHPs boundaries to
19 maximize opportunities for collaboration and integration of
20 administrative functions and clinical activities.

21 (2) By May 1 of the current fiscal year, the department shall
22 report to the house and senate appropriations subcommittees on
23 community health, the house and senate fiscal agencies, and the
24 state budget office on the impact and effectiveness of this section
25 and the status of the integration of mental health and substance
26 abuse services.

27 Sec. 474. The department shall ensure that each contract with

1 a CMHSP or PIHP requires the CMHSP or PIHP to provide each
2 recipient and his or her family with information regarding the
3 different types of guardianship and the alternatives to
4 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
5 reduce or restrict the ability of a recipient or his or her family
6 from seeking to obtain any form of legal guardianship without just
7 cause.

8 Sec. 490. (1) The department shall continue a workgroup to
9 develop a plan to maximize uniformity and consistency in the
10 standards required of providers contracting directly with PIHPs,
11 CMHSPs, and substance abuse coordinating agencies. These standards
12 shall apply to community living supports, personal care services,
13 substance abuse services, skill-building services, and other
14 similar supports and services providers who contract with PIHPs,
15 CMHSPs, and substance abuse coordinating agencies or their
16 contractors.

17 (2) The workgroup shall include representatives of the
18 department, PIHPs, CMHSPs, substance abuse coordinating agencies,
19 and affected providers. The standards shall include, but are not
20 limited to, contract language, training requirements for direct
21 support staff, performance indicators, financial and program
22 audits, and billing procedures.

23 (3) The department shall provide a status report on the
24 workgroup's efforts to the senate and house appropriations
25 subcommittees on community health, the senate and house fiscal
26 agencies, and the state budget director by June 1 of the current
27 fiscal year.

1 Sec. 491. The department shall explore changes in program
2 policy in the habilitation supports waiver for persons with
3 developmental disabilities that would permit the movement of a slot
4 that has become available to a county that has demonstrated a
5 greater need for the services.

6 Sec. 492. If a CMHSP has entered into an agreement with a
7 county or county sheriff to provide mental health services to the
8 inmates of the county jail, the department shall not prohibit the
9 use of state general fund/general purpose dollars by CMHSPs to
10 provide mental health services to inmates of a county jail.

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

17 (2) Upon a coordinated submission by the CMHSPs, PIHPs, or
18 subcontracting provider agencies, a listing of program requirements
19 that are part of the state program review criteria but are not
20 reviewed by an applicable national accrediting entity, the
21 department shall review the listing and provide a recommendation to
22 the house and senate appropriations subcommittees on community
23 health, the house and senate fiscal agencies, and the state budget
24 office as to whether or not state program review should continue.
25 The CMHSPs, PIHPs, or subcontracting agencies may request the
26 department to convene a workgroup to fulfill this section.

27 (3) The department shall continue to comply with state and

1 federal law and shall not initiate an action that negatively
2 impacts beneficiary safety.

3 (4) As used in this section, "national accrediting entity"
4 means the joint commission on accreditation of healthcare
5 organizations, the commission on accreditation of rehabilitation
6 facilities, the council of accreditation, or other appropriate
7 entity, as approved by the department.

8 (5) By July 1 of the current fiscal year, the department shall
9 provide a progress report to the house and senate appropriations
10 subcommittees on community health, the house and senate fiscal
11 agencies, and the state budget office on implementation of this
12 section.

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

17 Sec. 496. CMHSPs and PIHPs are permitted to offset state
18 funding reductions by limiting the administrative component of
19 their contracts with providers and case management to a maximum of
20 9%.

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

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

25 Sec. 601. The department shall continue a revenue recapture
26 project to generate additional revenues from third parties related

1 to cases that have been closed or are inactive. A portion of
2 revenues collected through project efforts may be used for
3 departmental costs and contractual fees associated with these
4 retroactive collections and to improve ongoing departmental
5 reimbursement management functions.

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

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

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

1 needs. A homeless shelter or similar temporary shelter arrangements
2 are inadequate to meet the individual's housing needs.

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

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

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

22 Sec. 608. Effective October 1, 2011, the department, in
23 consultation with the department of technology, management, and
24 budget, may maintain a bid process to identify 1 or more private
25 contractors to provide food service and custodial services for the
26 administrative areas at any state hospital identified by the
27 department as capable of generating savings through the outsourcing

1 of such services.

2 **PUBLIC HEALTH ADMINISTRATION**

3 Sec. 650. The department shall report to the senate and house
4 appropriations subcommittees on community health by April 1 of the
5 current fiscal year on its criteria and methodology used to derive
6 the information provided to residents in the annual Michigan fish
7 advisory.

8 Sec. 653. The department shall maintain plans to address
9 potential state public health emergencies.

10 **HEALTH POLICY**

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

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

20 Sec. 712. From the funds appropriated in part 1 for primary
21 care services, \$250,000.00 shall be allocated to free health
22 clinics operating in the state. The department shall distribute the
23 funds equally to each free health clinic. For the purpose of this
24 appropriation, "free health clinics" means nonprofit organizations
25 that use volunteer health professionals to provide care to

1 uninsured individuals.

2 Sec. 713. The department shall continue support of
3 multicultural agencies that provide primary care services from the
4 funds appropriated in part 1.

5 **INFECTIOUS DISEASE CONTROL**

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

11 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

12 Sec. 901. The amount appropriated in part 1 for implementation
13 of the 1993 additions of or amendments to sections 9161, 16221,
14 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
15 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
16 333.17515, shall be used to reimburse local health departments for
17 costs incurred related to implementation of section 17015(18) of
18 the public health code, 1978 PA 368, MCL 333.17015.

19 Sec. 902. If a county that has participated in a district
20 health department or an associated arrangement with other local
21 health departments takes action to cease to participate in such an
22 arrangement after October 1 of the current fiscal year, the
23 department shall have the authority to assess a penalty from the
24 local health department's operational accounts in an amount equal
25 to no more than 6.25% of the local health department's essential

1 local public health services funding. This penalty shall only be
2 assessed to the local county that requests the dissolution of the
3 health department.

4 Sec. 904. (1) Funds appropriated in part 1 for essential local
5 public health services shall be prospectively allocated to local
6 health departments to support immunizations, infectious disease
7 control, sexually transmitted disease control and prevention,
8 hearing screening, vision services, food protection, public water
9 supply, private groundwater supply, and on-site sewage management.
10 Food protection shall be provided in consultation with the
11 department of agriculture and rural development. Public water
12 supply, private groundwater supply, and on-site sewage management
13 shall be provided in consultation with the department of
14 environmental quality.

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

17 (3) Distributions in subsection (1) shall be made only to
18 counties that maintain local spending in the current fiscal year of
19 at least the amount expended in fiscal year 1992-1993 for the
20 services described in subsection (1).

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

22 Sec. 1004. It is the intent of the legislature that the
23 department continue to collaborate with the county of St. Clair and
24 the city of Detroit southwest community to investigate and evaluate
25 cancer rates.

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

2 Sec. 1103. Beginning January 3, 2012, the department shall
3 annually issue to the legislature, and to the public on the
4 Internet, a report providing estimated public funds administered by
5 the department for family planning, sexually transmitted infection
6 prevention and treatment, and pregnancies and births, as well as
7 demographics collected by the department as self-reported by
8 individuals utilizing those services.

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

17 (a) Funding allocations.

18 (b) Actual number of women, children, and adolescents served
19 and amounts expended for each group for the immediately preceding
20 fiscal year.

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

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

26 (3) For the purposes of this section, "rural" means a county,
27 city, village, or township with a population of 30,000 or less,

1 including those entities if located within a metropolitan
2 statistical area.

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

10 Sec. 1108. The funds appropriated in part 1 for pregnancy
11 prevention programs shall not be used to provide abortion
12 counseling, referrals, or services.

13 Sec. 1109. (1) From the amounts appropriated in part 1 for
14 dental programs, funds shall be allocated to the Michigan dental
15 association for the administration of a volunteer dental program
16 that provides dental services to the uninsured.

17 (2) Not later than December 1 of the current fiscal year, the
18 department shall report to the senate and house appropriations
19 subcommittees on community health and the senate and house standing
20 committees on health policy the number of individual patients
21 treated, number of procedures performed, and approximate total
22 market value of those procedures from the immediately preceding
23 fiscal year.

24 Sec. 1117. Contingent upon the availability of federal or
25 state restricted funds, the department may pursue efforts to reduce
26 the incidence of stillbirth. Efforts shall include the
27 establishment of a program to increase public awareness of

1 stillbirth, promote education to monitor fetal movements counting
2 kicks, promote a uniform definition of stillbirth, standardize data
3 collection of stillbirths, and collaborate with appropriate federal
4 agencies and statewide organizations. The department shall seek
5 federal or other grant funds to assist in implementing this
6 program.

7 Sec. 1119. From the funds appropriated in part 1 for family
8 planning local agreements or pregnancy prevention programs, no
9 state funds shall be used to encourage or support abortion
10 services.

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

14 Sec. 1135. (1) If funds become available, provision of the
15 school health education curriculum, such as the Michigan model for
16 health or another comprehensive school health education curriculum,
17 shall be in accordance with the health education goals established
18 by the Michigan model steering committee. The steering committee
19 shall be composed of a representative from each of the following
20 offices and departments:

21 (a) The department of education.

22 (b) The department of community health.

23 (c) The health administration in the department of community
24 health.

25 (d) The mental health and substance abuse administration in
26 the department of community health.

27 (e) The department of human services.

1 (f) The department of state police.

2 (2) Upon written or oral request, a pupil not less than 18
3 years of age or a parent or legal guardian of a pupil less than 18
4 years of age, within a reasonable period of time after the request
5 is made, shall be informed of the content of a course in the health
6 education curriculum and may examine textbooks and other classroom
7 materials that are provided to the pupil or materials that are
8 presented to the pupil in the classroom. This subsection does not
9 require a school board to permit pupil or parental examination of
10 test questions and answers, scoring keys, or other examination
11 instruments or data used to administer an academic examination.

12 **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

13 Sec. 1153. The department shall ensure that individuals
14 residing in rural communities have sufficient access to the
15 services offered through the WIC program.

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

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

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

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

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

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

1 Sec. 1204. By October 1, 2011, the department shall report to
2 the senate and house appropriations committees on community health
3 and the senate and house fiscal agencies on its plan for enrolling
4 Medicaid eligible children's special health care services
5 recipients in the Medicaid health plans. The report shall include
6 information on which Medicaid health plans are participating, the
7 methods used to assure continuity of care and continuity of ongoing
8 relationships with providers, and projected savings from the
9 implementation of the proposal.

10 **CRIME VICTIM SERVICES COMMISSION**

11 Sec. 1302. From the funds appropriated in part 1 for justice
12 assistance grants, up to \$200,000.00 shall be allocated for
13 expansion of forensic nurse examiner programs to facilitate
14 training for improved evidence collection for the prosecution of
15 sexual assault. The funds shall be used for program coordination
16 and training.

17 **OFFICE OF SERVICES TO THE AGING**

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

23 Sec. 1403. (1) The office of services to the aging shall
24 require each region to report to the office of services to the
25 aging and to the legislature home-delivered meals waiting lists

1 based upon standard criteria. Determining criteria shall include
2 all of the following:

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

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

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

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

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

13 Sec. 1417. The department shall provide to the senate and
14 house appropriations subcommittees on community health, senate and
15 house fiscal agencies, and state budget director a report by March
16 30 of the current fiscal year that contains all of the following:

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

19 (b) Detail expenditure by each area agency on aging by
20 individual program and administration including both state-funded
21 resources and locally-funded resources.

22 Sec. 1420. If funds become available, the department shall
23 create a pilot project to establish an aging care management
24 services program with services provided solely by nurses. This
25 pilot project shall be established in a county with a population
26 greater than 150,000 but less than 250,000.

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.

27 Sec. 1607. (1) An applicant for Medicaid, whose qualifying

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

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

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

26 (4) If the preponderance of evidence in an application
27 indicates that the applicant is not eligible for Medicaid, the

1 department shall refer that applicant to the nearest public health
2 clinic or similar entity as a potential source for receiving
3 pregnancy-related services.

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

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

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

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

27 (2) Notwithstanding subsection (1), medical services

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

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

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

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

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

25 Sec. 1629. The department shall utilize maximum allowable cost
26 pricing for generic drugs that is based on wholesaler pricing to
27 providers that is available from at least 2 wholesalers who deliver

1 in the state of Michigan.

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

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

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

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

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

15 (c) Fifty dollars for the first day of an inpatient hospital
16 stay.

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

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

22 Sec. 1642. The department shall allow ambulatory surgery
23 centers in this state to fully participate in the Medicaid program.

24 Sec. 1657. (1) Reimbursement for medical services to screen
25 and stabilize a Medicaid recipient, including stabilization of a
26 psychiatric crisis, in a hospital emergency room shall not be made
27 contingent on obtaining prior authorization from the recipient's

1 HMO. If the recipient is discharged from the emergency room, the
2 hospital shall notify the recipient's HMO within 24 hours of the
3 diagnosis and treatment received.

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

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

12 Sec. 1659. The following sections of this act are the only
13 ones that shall apply to the following Medicaid managed care
14 programs, including the comprehensive plan, MIChoice long-term care
15 plan, and the mental health, substance abuse, and developmentally
16 disabled services program: 404, 411, 418, 428, 474, 494, 1607,
17 1657, 1662, 1689, 1699, 1740, 1764, 1787, 1815, 1820, 1835, 1850,
18 and 1853.

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

24 (2) The department shall require Medicaid HMOs to provide
25 EPSDT utilization data through the encounter data system, and HEDIS
26 well child health measures in accordance with the national
27 committee for quality assurance prescribed methodology.

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

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

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

26 (3) Children whose category of eligibility changes between the
27 Medicaid and MICHild programs shall be assured of keeping their

1 current health care providers through the current prescribed course
2 of treatment for up to 1 year, subject to periodic reviews by the
3 department if the beneficiary has a serious medical condition and
4 is undergoing active treatment for that condition.

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

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

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

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

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

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

27 (8) The department shall assure that an external quality

1 review of each MICHild contractor, as described in subsection (5),
2 is performed, which analyzes and evaluates the aggregated
3 information on quality, timeliness, and access to health care
4 services that the contractor furnished to MICHild beneficiaries.

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

7 Sec. 1673. The department may establish premiums for MICHild
8 eligible individuals in families with income above 150% of the
9 federal poverty level. The monthly premiums shall not be less than
10 \$10.00 or exceed \$15.00 for a family.

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

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

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

25 (4) The department is authorized to use civil monetary penalty
26 funds to conduct a survey evaluating consumer satisfaction and the
27 quality of care at nursing homes. Factors can include, but are not

1 limited to, the level of satisfaction of nursing home residents,
2 their families, and employees. The department may use an
3 independent contractor to conduct the survey.

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

6 Sec. 1684. The department shall submit a report by September
7 30 of the current fiscal year to the house and senate
8 appropriations subcommittees on community health, the house and
9 senate fiscal agencies, and the state budget director that will
10 identify by waiver agent, Medicaid home- and community-based
11 services waiver costs by administration, case management, and
12 direct services.

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

23 Sec. 1689. (1) Priority in enrolling additional individuals in
24 the Medicaid home- and community-based services waiver program
25 shall be given to those who are currently residing in nursing homes
26 or who are eligible to be admitted to a nursing home if they are
27 not provided home- and community-based services. The department

1 shall use screening and assessment procedures to assure that no
2 additional Medicaid eligible individuals are admitted to nursing
3 homes who would be more appropriately served by the Medicaid home-
4 and community-based services waiver program. It is the intent of
5 the legislature that when an individual is transferred from a
6 nursing home to the home- and community-based services waiver
7 program, the funding to cover that individual's home- and
8 community-based services waiver program costs shall be transferred
9 from the long-term care services line item to the Medicaid home-
10 and community-based services waiver line item. These funds are not
11 available for expenditure until they have been transferred to
12 another line item in this act under section 393(2) of the
13 management and budget act, 1984 PA 431, MCL 18.1393.

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

1 community-based services waiver program and in nursing homes.

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

13 (4) The department shall maintain any policies, guidelines,
14 procedures, standards, and regulations in order to limit the self-
15 determination option with respect to the home- and community-based
16 services waiver program to those services furnished by approved
17 home-based service providers meeting provider qualifications
18 established in the waiver and approved by the centers for Medicare
19 and Medicaid services.

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

1 districts pursuant to such agreements and state and federal law.

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

5 (a) Finance activities within the medical services
6 administration related to this project.

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

10 (c) Offset general fund costs associated with the medical
11 services program.

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

18 Sec. 1694. The department shall distribute \$1,122,300.00 to an
19 academic health care system that includes a children's hospital
20 that has a high indigent care volume.

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

1 (2) The department shall allocate \$45,000,000.00 in DSH
2 funding using the distribution methodology used in fiscal year
3 2003-2004.

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

9 (4) The department shall form a workgroup on DSH funding
10 consisting of representatives from hospitals and hospital systems
11 receiving DSH funding and the Michigan health and hospital
12 association. The workgroup shall work to derive a new DSH formula
13 or formulas designed to provide equitable payments to qualifying
14 hospitals. The department shall report to the senate and house
15 appropriations subcommittees on community health and the senate and
16 house fiscal agencies on the results of the workgroup's efforts by
17 March 1 of the current fiscal year.

18 Sec. 1712. (1) Subject to the availability of funds, the
19 department shall implement a rural health initiative. Available
20 funds shall first be allocated as an outpatient adjustor payment to
21 be paid directly to hospitals in rural counties in proportion to
22 each hospital's Medicaid and indigent patient population.
23 Additional funds, if available, shall be allocated for
24 defibrillator grants, emergency medical technician training and
25 support, or other similar programs.

26 (2) Except as otherwise specified in this section, "rural"
27 means a county, city, village, or township with a population of not

1 more than 30,000, including those entities if located within a
2 metropolitan statistical area.

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

15 Sec. 1724. The department shall allow licensed pharmacies to
16 purchase injectable drugs for the treatment of respiratory
17 syncytial virus for shipment to physicians' offices to be
18 administered to specific patients. If the affected patients are
19 Medicaid eligible, the department shall reimburse pharmacies for
20 the dispensing of the injectable drugs and reimburse physicians for
21 the administration of the injectable drugs.

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

27 Sec. 1741. The department shall continue to provide nursing

1 homes the opportunity to receive interim payments upon their
2 request. The department may disapprove requests or discontinue
3 interim payments that result in financial risk to this state. The
4 department shall make reasonable efforts to ensure that the interim
5 payments are as similar in amount to expected cost-settled
6 payments.

7 Sec. 1756. The department shall develop a plan to expand and
8 improve the beneficiary monitoring program. The department shall
9 submit this plan to the house and senate appropriations
10 subcommittees on community health, the house and senate fiscal
11 agencies, and the state budget director by April 1 of the current
12 fiscal year.

13 Sec. 1757. The department shall direct the department of human
14 services to obtain proof from all Medicaid recipients that they are
15 legal United States citizens or otherwise legally residing in this
16 country and that they are residents of this state before approving
17 Medicaid eligibility.

18 Sec. 1764. The department shall annually certify rates paid to
19 Medicaid health plans as being actuarially sound in accordance with
20 federal requirements and shall provide a copy of the rate
21 certification and approval immediately to the house and senate
22 appropriations subcommittees on community health and the house and
23 senate fiscal agencies.

24 Sec. 1770. In conjunction with the consultation requirements
25 of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and
26 except as otherwise provided in this section, the department shall
27 attempt to make the effective date for a proposed Medicaid policy

1 bulletin or adjustment to the Medicaid provider manual on October
2 1, January 1, April 1, or July 1 after the end of the consultation
3 period. The department may provide an effective date for a proposed
4 Medicaid policy bulletin or adjustment to the Medicaid provider
5 manual other than provided for in this section if necessary to be
6 in compliance with federal or state law, regulations, or rules or
7 with an executive order of the governor.

8 Sec. 1775. If the state's application for a waiver to
9 implement managed care for dual Medicare/Medicaid eligible is
10 approved by the federal government, by April 1, 2012 the department
11 shall provide a report to the senate and house appropriations
12 subcommittees on community health and the senate and house fiscal
13 agencies. This report shall include information on the amount of
14 Medicare funding that would be provided to the state, the number of
15 individuals who would be enrolled in the program, which health
16 plans would be among those providing the services, and the
17 estimated savings from the new program.

18 Sec. 1777. From the funds appropriated in part 1 for long-term
19 care services, the department shall permit, in accordance with
20 applicable federal and state law, nursing homes to use dining
21 assistants to feed eligible residents if legislation to permit the
22 use of dining assistants is enacted into law. The department shall
23 not be responsible for costs associated with training dining
24 assistants.

25 Sec. 1787. The department shall require the managed care
26 enrollment broker to maintain telephone numbers of Medicaid
27 beneficiaries and provide each Medicaid health plan with the

1 telephone number of that health plan's enrollees on a monthly
2 basis.

3 Sec. 1793. The department shall consider the development of a
4 pilot project that focuses on the prevention of preventable
5 hospitalizations from nursing homes.

6 Sec. 1804. The department, in cooperation with the department
7 of human services, shall work with the federal public assistance
8 reporting information system to identify Medicaid recipients who
9 are veterans and who may be eligible for federal veterans health
10 care benefits or other benefits.

11 Sec. 1815. From the funds appropriated in part 1 for health
12 plan services, the department shall not implement a capitation
13 withhold as part of the overall capitation rate schedule that
14 exceeds the 0.19% withhold administered during fiscal year 2008-
15 2009.

16 Sec. 1820. (1) In order to avoid duplication of efforts, the
17 department shall utilize applicable national accreditation review
18 criteria to determine compliance with corresponding state
19 requirements for Medicaid health plans that have been reviewed and
20 accredited by a national accrediting entity for health care
21 services.

22 (2) Upon submission by Medicaid health plans of a listing of
23 program requirements that are part of the state program review
24 criteria but are not reviewed by an applicable national
25 accrediting entity, the department shall review the listing and
26 provide a recommendation to the house and senate appropriations
27 subcommittees on community health, the house and senate fiscal

1 agencies, and the state budget office as to whether or not state
2 program review should continue. The Medicaid health plans may
3 request the department to convene a workgroup to fulfill this
4 section.

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

8 (4) As used in this section, "national accrediting entity"
9 means the national committee for quality assurance, the utilization
10 review accreditation committee, or other appropriate entity, as
11 approved by the department.

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

17 Sec. 1822. The department, the department's contracted
18 Medicaid pharmacy benefit manager, and all Medicaid health plans
19 shall implement coverage for a mental health prescription drug
20 within 30 days of that drug's approval by the department's pharmacy
21 and therapeutics committee.

22 Sec. 1832. (1) The department shall continue efforts to
23 standardize billing formats, referral forms, electronic
24 credentialing, primary source verification, electronic billing and
25 attachments, claims status, eligibility verification, and reporting
26 of accepted and rejected encounter records received in the
27 department data warehouse.

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

7 (3) The department shall provide a report by April 1 of the
8 current fiscal year to the senate and house appropriations
9 subcommittees on community health and the senate and house fiscal
10 agencies detailing the percentage of claims for Medicaid
11 reimbursement provided to the department that were initially
12 rejected in the first quarter of fiscal year 2011-2012.

13 Sec. 1835. The department shall develop and implement
14 processes to report rejected and accepted encounters to Medicaid
15 health plans. The department shall further enhance encounter data
16 reporting processes and program rules that make each health plan's
17 encounter data as complete as possible, provide a fair measure of
18 acuity for each health plan's enrolled population for risk
19 adjustment purposes, and minimize health plan administrative
20 expenses.

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

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

4 Sec. 1842. (1) Subject to the availability of funds, the
5 department shall adjust the hospital outpatient Medicaid
6 reimbursement rate for qualifying hospitals as provided in this
7 section. The Medicaid reimbursement rate for qualifying hospitals
8 shall be adjusted to provide each qualifying hospital with its
9 actual cost of delivering outpatient services to Medicaid
10 recipients.

11 (2) As used in this section, "qualifying hospital" means a
12 hospital that has not more than 50 staffed beds and is either
13 located outside a metropolitan statistical area or in a
14 metropolitan statistical area but within a city, village, or
15 township with a population of not more than 12,000 according to the
16 official 2000 federal decennial census and within a county with a
17 population of not more than 165,000 according to the official 2000
18 federal decennial census.

19 Sec. 1846. (1) The department shall establish a workgroup on
20 graduate medical education funding. The workgroup shall include
21 representatives of teaching hospitals, the Michigan health and
22 hospital association, and other interested parties.

23 (2) The workgroup shall do all of the following:

24 (a) Identify physician specialties where there is a current or
25 potential shortage of practitioners and identify the geographic
26 areas of this state where those shortages exist or potentially
27 could develop.

1 (b) Research efforts by other states to address practitioner
2 shortages by adjusting their graduate medical education payments.

3 (c) Recommend potential policy changes to the graduate medical
4 education program to help reduce practitioner shortages.

5 (3) The department shall report the results of the workgroup's
6 efforts to the senate and house appropriations subcommittees on
7 community health, the senate and house fiscal agencies, and the
8 state budget director by April 1 of the current fiscal year.

9 (4) It is the intent of the legislature that the report
10 required under subsection (3) be used as a possible basis for the
11 establishment of new graduate medical education funding formulas in
12 fiscal year 2012-2013.

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

16 Sec. 1849. (1) The department shall use at least 50% of the
17 funds allocated for voluntary in-home visiting services for
18 evidence-based models or models that conform to a promising
19 approach that are in the process of being evaluated through a
20 process that meets the requirements described in subsection (2)
21 with the goal of being evidence-based by January 1, 2013.

22 (2) As used in this section:

23 (a) "Evidence-based" means a model or practice that meets all
24 of the following requirements:

25 (i) The model or practice is governed by a program manual or
26 protocol that specifies the purpose, rigorous evaluation
27 requirements, and duration and frequency of service that

1 constitutes the model.

2 (ii) Scientific research using methods that meet scientific
3 standards, evaluated using either randomized controlled research
4 designs, or quasi-experimental research designs with equivalent
5 comparison groups. The effects of such programs must have been
6 demonstrated with 2 or more separate client samples that the
7 program improves client outcomes central to the purpose of the
8 program; and the model or practice monitors program implementation
9 for fidelity to the specified model.

10 (b) "In-home visiting services" means a service delivery
11 strategy that is carried out in the homes of families or children
12 from conception to school age that provides culturally sensitive
13 face-to-face visits by nurses, or other professional or
14 paraprofessionals trained to promote positive parenting practices,
15 enhance the socio-emotional and cognitive development of children,
16 improve health of the family, and empower the family to be self-
17 sufficient.

18 (3) By February 1 of the current fiscal year, the department
19 shall submit to the house and senate appropriations subcommittees
20 on community health an annual report on evidence-based voluntary
21 in-home visiting services, including a full accounting of
22 administrative expenditures from the prior fiscal year, and a
23 summary detailing the demographic characteristics of Medicaid
24 families served.

25 (4) No later than September 30, 2011, the department shall
26 submit a report to the senate and house appropriations
27 subcommittees on community health on its plan to establish an

1 integrated benefit for Medicaid evidence-based home visitation
2 services to be provided by Medicaid health plans for eligible
3 beneficiaries. The report shall include information on the
4 potential methods used to assure continuity of care and continuity
5 of ongoing relationships with providers and their potential
6 effectiveness. It is the intent of the legislature that the
7 integrated benefit must be provided by evidence-based service
8 delivery models or practices in a manner that achieves fidelity to
9 the evidence-based model.

10 Sec. 1850. The department may allow Medicaid health plans to
11 assist with the redetermination process through outreach activities
12 to ensure continuation of Medicaid eligibility and enrollment in
13 managed care. This may include mailings, telephone contact, or
14 face-to-face contact with beneficiaries enrolled in the individual
15 Medicaid health plan. Health plans may offer assistance in
16 completing paperwork for beneficiaries enrolled in their plan.

17 Sec. 1853. The department shall form a workgroup composed of
18 representatives from the Medicaid HMOs and the Michigan association
19 of health plans to develop revisions to the process of
20 automatically assigning new Medicaid recipients to HMOs if they do
21 not choose an HMO upon enrollment. The department shall report on
22 the results of the workgroup's findings to the senate and house
23 appropriations subcommittees on community health and the senate and
24 house fiscal agencies by March 1 of the current fiscal year.

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-

148, to develop a chronic condition health home program for Medicaid enrollees identified with chronic kidney disease and who are beginning dialysis. If initiated, the department shall develop metrics that evaluate program effectiveness and submit a report to the senate and house appropriations subcommittees on community health. Metrics shall include cost savings and clinical outcomes.

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

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

ONE-TIME BASIS ONLY

Sec. 1901. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$22,100,000.00 and federal revenue for the following purposes:

Mental health services for special populations	\$	3,000,000
Healthy Michigan fund programs		3,000,000
Primary care services - island health clinics		300,000
Hospital services and therapy - graduate medical education		17,129,400
Hospital services and therapy - rural and sole community hospitals		<u>29,533,400</u>
GROSS APPROPRIATION	\$	52,962,800

Appropriated from:

1 Federal revenues:

2 Federal revenues..... 30,862,800

3 State general fund/general purpose..... \$ 22,100,000

4 Sec. 1902. From the funds appropriated in section 1901 for
5 healthy Michigan fund programs, \$900,000.00 shall be allocated for
6 cancer prevention and control.

7 Sec. 1903. (1) From the funds appropriated in section 1901 for
8 hospital services and therapy - rural and sole community hospitals,
9 \$10,000,000.00 general fund/general purpose revenue and any
10 associated federal match shall be awarded to hospitals that meet
11 criteria established by the department for services to low-income
12 rural residents.

13 (2) No hospital or hospital system shall receive more than
14 5.0% of the total funding referenced in subsection (1).

15 (3) The department shall report to the senate and house
16 appropriations subcommittees on community health and the senate and
17 house fiscal agencies on the distribution of funds referenced in
18 subsection (1) by April 1 of the current fiscal year.

19 PART 2A

20 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

21 FOR FISCAL YEAR 2012-2013

22 GENERAL SECTIONS

23 Sec. 2001. It is the intent of the legislature to provide
24 appropriations for the fiscal year ending on September 30, 2013 for
25 the line items listed in part 1. The fiscal year 2012-2013

1 appropriations are anticipated to be the same as those for fiscal
2 year 2011-2012, except that the line items will be adjusted for
3 changes in caseload and related costs, federal fund match rates,
4 economic factors, and available revenue. These adjustments will be
5 determined after the January 2012 consensus revenue estimating
6 conference.