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House Bill 5523 (Substitute S-1)
Sponsor: Representative Julie Calley
House Committee: Appropriations
Senate Committee: Appropriations (discharged)

Date Completed: 2-7-22

CONTENT

The supplemental would make appropriations of \$1.2 billion Gross, \$0 General Fund/General Purpose (GF/GP) for fiscal year (FY) 2021-22 reflecting a number of Federal grants provided to the State in response to the COVID-19 pandemic. Of this amount, \$509.5 million would be sourced from the Coronavirus State Fiscal Recovery Fund (SFRF) established under the Federal American Rescue Plan Act (ARPA) with the remainder sourced from other grants provided under ARPA, grants from the Federal Emergency Management Agency (FEMA), and other Federal fund sources. The Department of Health and Human Services (DHHS) would be the primary recipient of these funds, receiving a total of \$1.2 billion. Items in the supplemental for the DHHS include \$300.0 million for healthcare recruitment, retention, and training; \$367.3 million for expansion grants for epidemiology and lab capacity; \$150.8 million for school safety related to the COVID-19 pandemic; \$70.0 million for \$700/bed grants to eligible adult foster care facilities; and several other items detailed in Table 2.

The bill also would appropriate \$10.0 million SFRF for capital outlay planning related to the construction of a new State public health and environmental science laboratory, and \$250,000 SFRF in the Department of Education for grants to school districts and intermediate school districts for work-based learning health services academies.

Table 1 summarizes the Gross and Federal funding by budget area in the supplemental.

Table 1

FY 2021-22 Supplemental Appropriations				
Budget Area	Gross	Federal	Other	GF/GP
Capital Outlay	\$10,000,000	\$10,000,000	\$0	\$0
Education	250,000	250,000	0	0
Health/Hum Svcs	1,206,175,200	1,206,175,200	0	0
TOTAL	\$1,216,425,200	\$1,216,425,200	\$0	\$0

FISCAL IMPACT

The bill provides FY 2021-22 line-item appropriations of \$1.2 billion Gross and \$0 GF/GP. As noted in CONTENT, the appropriations are Federal funds provided primarily under ARPA. Of this amount, \$509.5 million is Coronavirus State Fiscal Recovery Funds, with the remaining \$707.0 million coming from other various Federal sources, primarily under ARPA.

See Table 2 for a list of items funded in the supplemental.

FY 2021-22 BOILERPLATE LANGUAGE SECTIONS-PART 2

Sec. 201. General. Records amount of total State spending and payments to local units of government.

Sec. 202. General. Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

Sec. 203. General. Directs that, if the State Administrative Board transfers funds appropriated in the Act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

Sec. 204. General. Directs that appropriated funds are subject to Federal audit and reporting requirements. Requires prompt action if instances of noncompliance are identified and directs the State Budget Director to rectify any noncompliance issues and to inform the Appropriations Committees and Fiscal Agencies in the case of noncompliance.

Sec. 205. General. Directs that funds appropriated from the ARPA be spent according to Federal rules and regulations.

Sec. 206. General. Requires a monthly report by the State Budget Director on the status of funds appropriated in part 1, including funds used for COVID-19-related issues, to the Legislature.

Sec. 226. Capital Outlay. Requires that funds appropriated in part 1 for the New Comprehensive State Public Health and Environmental Science Laboratory be used for planning and design of a new state-of-the-art State laboratory, as well as to compare building a new facility with a remodel of the existing one and repurposing another State-owned building.

Sec. 251. Education. Requires the funds appropriated in part 1 for ARP-work-based learning health services academies to be allocated as competitive grants to school districts and intermediate school districts for high school students to participate in work-based learning health services academies hosted in partnership with a national academy foundation. Programs funded under this item are intended to increase the number of students who are college- and career-ready in the health services industry after high school graduation.

Sec. 301. Health and Human Services. Requires the funds appropriated in part 1 for ARP-Cooperative Agreement for Emergency Response be allocated to local and tribal health departments, school districts, public school academies, intermediate school districts and nonpublic schools. No less than \$14.9 million must be appropriated to school districts, public school academies, intermediate school districts and nonpublic schools to administer and support coronavirus testing of staff and students. Requires that the Department not allocate funds under this section to local health departments if, within 30 days after the bill's effective date, the county board of commissioners has rejected the funding. Creates a work project for the funding.

Sec. 302. Health and Human Services. Appropriates not less than \$75.0 million of the funds appropriated in FEMA - COVID-19 Early Treatment and Testing Sites to establish at least one COVID-19 early treatment and testing site in each of the State's eight emergency preparedness regions. Allows local DHHS offices, local health department offices, or local health care providers to be eligible COVID-19 early treatment and testing sites. Allocates at least \$10.0 million to local health care providers. Eligible sites must maximize the number of COVID-19 therapeutic treatments administered and minimize the time between known infection and administration of the treatment, utilize eligibility and prioritization criteria that are not more stringent than Federal criteria, prioritize COVID-19 therapeutic treatments for high-risk individuals, demonstrate the ability to bill public and private insurance, provide

treatments at no cost to the individual, and follow informed consent requirements before administering treatment as established by the Food and Drug Administration (FDA) or the emergency use authorization (EUA). Allowable costs under this section include facility upgrade and conversion costs, lease and rent costs, staffing costs, PPE costs, and any other costs associated with providing treatments that are not covered by the public or private insurance of the individual receiving treatment. Allows the DHHS to set aside not more than 10% (\$7.5 million) of the funds allocated in this section to reimburse treatment sites for the cost of treating uninsured individuals. Allows early treatment and testing sites to use other early treatments for COVID-19 as they are authorized by the FDA. Allows the 10% set-aside to treat uninsured individuals to be used for other early treatments as they are authorized by the FDA. Defines terms used in this section. Appropriates \$75.0 million of SFRF if FEMA does not approve a project for COVID-19 early treatment and testing sites by March 1. Appropriates \$75.0 million of SFRF for projects under this subsection subject to the amount not being distributed after FEMA approves the project under this section and that any funds spent prior to approval be offset using FEMA funds.

Sec. 303. Health and Human Services. Allocates the funds appropriated in part 1 for FEMA - COVID-19 Early Treatments Procurements to purchase COVID-19 therapeutic treatments in addition to the supply of Federally allocated treatments, to be distributed based on need and utilization to eligible COVID-19 early treatment and testing sites. Appropriates \$25.0 million of SFRF if FEMA does not approve a project for COVID-19 early treatments procurements by March 1. Appropriates \$25.0 million in SFRF for projects under this subsection subject to the amount not being distributed after FEMA approves the project under this section and that any funds spent prior to approval be offset using FEMA funds.

Sec. 304. Health and Human Services. Requires funds appropriated in part 1 for ARP - Epidemiology and Lab Capacity Enhancing Detection Expansion Grants be allocated and spent in a manner consistent with Federal rules and regulations. Appropriates \$75.0 million of ARP-Epidemiology and Lab Capacity Enhancing Detection Expansion funds for unreimbursed costs from FEMA. Appropriates \$75.0 million of the funds under this section for unreimbursed FEMA costs for early treatment and testing sites subject to the amount not being distributed after FEMA approves the project under this section and that any funds spent prior to approval be offset using FEMA funds. Creates a work project for the funding.

Sec. 305. Health and Human Services. Appropriates \$50.0 million of the funds appropriated in part 1 for ARP - Epidemiology and Lab Capacity School Safety to support the efforts of school officials with testing, contact tracing, vaccine distribution, and mitigation efforts. Requires the DHHS to use the balance of the funds to purchase and maintain an inventory of coronavirus testing and contact tracing supplies, including home test kits to distribute to school entities including school districts, public school academics, intermediate school districts, and nonpublic schools. Requires that the items be used for coronavirus testing and contact tracing for staff and students, regardless of vaccine status, as determined by the school entity. Requires the DHHS, within 15 days after the bill's effective date, to inform potential recipients of the items of the option not to receive the items directly and to notify them how they may opt out, as well as the maximum amount of financial reimbursement each recipient could receive based on an equitable headcount calculation. If a potential recipient opts out within 10 business days after the bill's effective date, it may request direct financial reimbursement to cover the costs of the items that otherwise would be supplied under the bill. Potential recipients that opt out may purchase those items either directly from the DHHS or from another source. Requires the DHHS to provide financial reimbursement to potential recipients who opt out within 30 days of the request. Requires the DHHS to maintain an online list of all known acceptable options for the items covered under the section. Bars State and local government entities from confiscating or redistributing coronavirus testing and contact tracing supplies and equipment, including home test kits, from an eligible school district, public school academy, intermediate school district, or nonpublic school without that entity's consent. Requires the DHHS to collaborate with the Michigan Association of

Intermediate School Administrators (MAISA) to establish procedures for the as-needed redistribution of testing and tracing items from school entities. Requires MAISA to coordinate the redistribution of those items based on need and after receiving consent from the school entity affected. Limits MAISA administrative and logistical costs to 1.0% of the funds appropriated in the line item or the actual costs, whichever is less. States that school entities are permitted to send testing and tracing items to other school entities voluntarily. Requires the DHHS to collaborate with the Department of Education to implement the section. Creates a work project for the funding.

Sec. 306. Health and Human Services. Directs that the DHHS use the part 1 funding for ARP – Health Care Recruitment, Retention, and Training to support health care employers that can demonstrate an eligible qualifying need for health care recruitment, retention, and training programming announced after December 1, 2021. Requires that 75% of the funds be allocated to the Michigan Health and Hospital Association for administration to acute care and behavioral health care providers. Not less than 10% of the 75% of funds allocated must go to critical access hospitals and small and rural providers. The remaining 25% of funds must be allocated to post-acute care providers and Federally qualified health centers. A health care employer that receives funds under this section must allow for vaccine exemptions if a physician certifies and properly documents that the vaccination is contraindicated or if the employee provides a written statement that documents in a manner consistent with the employer's policies that the vaccine policy cannot be met due to religious convictions. Limits cash recruitment bonuses to 25% of the maximum amount any noncritical access hospitals or small and rural health care employer is awarded, and limits retention bonuses to 20%. States that nothing in this section requires a health care employer receiving funds to violate any Federal rule or regulation on a COVID-19 vaccine policy. Requires health care employers receiving funds under this section to respond in a written statement with an employee's vaccination exemption approval or disapproval. States that vaccination status may not be used as a factor for distributing recruitment, retention, or training program funds. Requires a report by September 30 on the overall efficacy of the funds.

Sec. 307. Health and Human Services. Directs that the funds appropriated in part 1 for ARP – Nursing Facility Room Conversion Pilot Project be used to create a competitive grant program to reimburse nursing facilities for 50% of the costs to convert multi-resident rooms into single resident rooms. Prioritizes awarding grants for the conversion of rooms with more than two residents per room.

Sec. 308. Health and Human Services. Allocates the funds in part 1 for ARP – Nursing Home Respirators to assist nursing facilities, assisted living facilities, and other long-term care facilities in complying with OSHA respiratory protection standards.

Sec. 310. Health and Human Services. Directs that the funds appropriated in part 1 for ARP – Vaccine Support be allocated to local public health departments for education, outreach, and other community engagement strategies. To the greatest extent allowed under Federal rules, the education, outreach and other community engagement strategies must be inclusive of other broader COVID-19 treatment, testing and mitigation options. Requires that the Department not allocate funds under this section to local health departments if, within 30 days after the bill's enactment, the county board of commissioners has rejected the funding. A recipient of a COVID-19 vaccine administered using funds appropriated in this section must be provided with information regarding the use of aborted fetal tissue or human embryonic stem cell derivation lines in development of the vaccine. Creates a work project for the funding.

Sec. 311. Health and Human Services. Requires that the funds appropriated in part 1 for MI Choice Waiver Program Presumptive Eligibility Risk Pool be used, to the extent possible using the enhanced FMAP, to develop and implement a pilot risk pool in at least two service areas to cover 90% of MI Choice waiver agents' exposure to financial losses in those service areas for up to six weeks of services costs associated with incorrect presumptive eligibility

determinations. Bars MI Choice waiver agents in the pilot service areas that incorrectly presume eligibility for 20% or more of their enrollees, at any point in time, from being eligible for funding from this project.

Sec. 312. Health and Human Services. Directs that the \$14.0 million appropriated in part 1 for ARP - Morris Hood Kidney Foundation be used to support the National Kidney Foundation of Michigan for a multi-year initiative to implement the chronic kidney disease prevention initiative that was adopted in March 2021. The initiative will develop a disease prevention and awareness system to reduce incidence of kidney disease among communities with health disparities and at the greatest risk for kidney disease. It will identify patients at risk of chronic kidney disease and will develop strategies to reduce preventable kidney disease in these patients. The initiative also will increase information available about kidney disease and options for evidence-based care strategies. The initiative will work with the National Kidney Foundation of Michigan and the DHHS to create an advisory council, share necessary relevant data, produce an annual report, convene status meetings on program progress, and cooperate with Medicaid health plans to identify client populations with the greatest severe kidney disease risk.

Sec. 313. Health and Human Services. Directs that the \$10.0 million appropriated in part 1 for ARP – Hospital Airborne Pathogen Control Program be used to create a pilot program for the installation of in-room ceiling ultraviolet control filtration and cleaning system technology. Funding priority will be for hospitals who were in the top 10 in terms of COVID-19 patients during calendar year 2021 and have submitted letters of intent for use to the DHHS by March 1, 2022. The grants will be awarded in two equal payments to award recipients. Award recipients must track outcome metrics associated with installation.

Sec. 314. Health and Human Services. Directs that the \$70.0 million appropriated in part 1 for ARP - Adult Foster Care and Homes for the Aged COVID-19 Relief be used to provide a \$700 per bed grant to eligible facilities. The eligible facilities include adult foster care facilities licensed by the Department of Licensing and Regulatory Affairs (LARA), homes for the aged licensed by LARA, facilities with approved status from LARA for exemption from the home for the aged licensure, and self-directed and other nonlicensed residential settings for older adults and individuals with disabilities that are not subject to licensure by LARA. The eligible facilities must complete the application developed by the DHHS within 90 days after the bill's enactment.

Sec. 315. Health and Human Services. Allocates the \$4.0 million appropriated in part 1 for ARP - Health Units to Wayne State University to be used for the creation of the Michigan Mobile Health Corps Program. The program will attempt to address health disparities for individuals in southeast Michigan with limited access to medical care and social services.

Sec. 316. Health and Human Services. Directs that the \$6.2 million appropriated in part 1 for ARP – Supplemental Payments to Private Child Caring Institutions be used to provide grants as supplemental payments to private child caring institutions to address the economic impact of the COVID-19 public health emergency. In addition to the \$6.2 million, \$2.0 million must be allocated to the Vista Maria agency. Payments must be made to qualifying entities within 30 days after the bill's effective date.

Sec. 317. Health and Human Services. Directs that the \$10.0 million appropriated in part 1 for ARP - Homeless Shelter Repair Grants be used to establish a grant program for homeless shelter service providers to make necessary physical improvements to shelter facilities. Improvements permitted under this program include repairs to plumbing, electrical, and heating, ventilation and air conditioning; increasing accessibility for those individuals with disabilities; the creation of noncongregate housing spaces for individuals and families; the creation of noncongregate spaces for individuals who are medically recuperating; and the

installation of necessary safety and security systems. Requires the DHHS to maximize the geographic area for grant disbursement. Creates a work project for the appropriation.

Sec. 318. Health and Human Services. Directs that the \$29.0 million appropriated in part 1 for ARP - Nursing Home Infection Control Grants be used to make operational and structural changes that would reduce the spread of infectious disease. The types of projects eligible for funding would include improving indoor air quality, the creation of negative air pressure rooms, the creation of isolation areas in nursing homes for sick residents, and the purchase and installation of technologies to reduce the spread of infectious disease. Each eligible facility would not be able to receive more than \$500,000. Creates a work project for the appropriation.

Sec. 319. Health and Human Services. Requires that the \$19.0 million appropriated in part 1 for ARP - Child Welfare Mitigation Payments be provided to licensed foster family homes, licensed foster group homes, and unlicensed relative caregivers in the amount of \$1,500 per child. Creates a work project for the appropriation.

Sec. 321. Health and Human Services. Directs that the \$20.0 million appropriated in part 1 for ARP - Respite Services Home and Community-Based Services Waiver be used for respite supports for families providing direct in-home care support to a family member. Creates a work project for the appropriation.

Table 2

FY 2021-22 Supplemental Appropriations				
Department/Program	Gross	Federal	Other	GF/GP
Capital Outlay				
New State laboratory study and planning	10,000,000	10,000,000	0	0
Total Capital Outlay	\$10,000,000	\$10,000,000	\$0	\$0
Education				
Healthcare workforce education	\$250,000	\$250,000	\$0	\$0
Total Education	\$250,000	\$250,000	\$0	\$0
Health and Human Services				
Immunization and vaccine grant	\$54,143,900	\$54,143,900	\$0	\$0
Cooperative agreement for emergency response grant	29,704,700	29,704,700	0	0
Epidemiology and lab capacity enhancing detection expansion grant	367,327,300	367,327,300	0	0
School safety grants	150,799,300	150,799,300	0	0
Homeless shelter repair grants	10,000,000	10,000,000	0	0
Nursing home infection control	29,000,000	29,000,000	0	0
Private child caring institutions facility support grants	8,200,000	8,200,000	0	0
Foster family economic stability payments	19,000,000	19,000,000	0	0
Respite services funding	20,000,000	20,000,000	0	0
MI Choice presumptive eligibility risk pool pilot	5,000,000	5,000,000	0	0
Nursing facility room conversion grant	10,000,000	10,000,000	0	0
COVID-19 early testing and treatment centers	75,000,000	75,000,000	0	0
COVID-19 early treatment procurement	25,000,000	25,000,000	0	0
Nursing home OSHA respiratory protection standards	5,000,000	5,000,000	0	0
Health care worker retention fund	300,000,000	300,000,000	0	0
Hospital airborne pathogen control pilot	10,000,000	10,000,000	0	0
Health unit pilot	4,000,000	4,000,000	0	0
Adult foster care/homes for the aged COVID-19 supplemental payment	70,000,000	70,000,000	0	0
Morris Hood kidney foundation	14,000,000	14,000,000	0	0
Total Health and Human Services	\$1,206,175,200	\$1,206,175,200	\$0	\$0
Total FY 2021-22 Supplemental Appropriations	\$1,216,425,200	\$1,216,425,200	\$0	\$0

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.