

**FIRST CONFERENCE REPORT**

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

House Bill No. 5274, entitled

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

Recommends:

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

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

(attached)

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

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

\_\_\_\_\_  
Rob VerHeulen

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Jim Marleau

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Earl Poleski

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Peter MacGregor

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Harvey Santana

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Curtis Hertel, Jr.

Conferees for the House

Conferees for the Senate



**SUBSTITUTE FOR  
HOUSE BILL NO. 5274**

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	15,570.5

1	Average population .....	770.0	
2	GROSS APPROPRIATION.....		\$ 24,841,836,800
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers .....		13,513,700
6	ADJUSTED GROSS APPROPRIATION.....		\$ 24,828,323,100
7	Federal revenues:		
8	Social security act, temporary assistance for needy		
9	families .....		556,850,000
10	Capped federal revenues.....		596,489,100
11	Total other federal revenues.....		16,727,563,100
12	Special revenue funds:		
13	Total local revenues.....		124,445,800
14	Total private revenues.....		154,259,300
15	Total local and private revenues.....		278,705,100
16	Michigan merit award trust fund.....		23,807,900
17	Total other state restricted revenues.....		2,270,359,600
18	State general fund/general purpose.....		\$ 4,374,548,300
19	<b>Sec. 102. DEPARTMENTWIDE ADMINISTRATION</b>		
20	Full-time equated unclassified positions.....	6.0	
21	Full-time equated classified positions.....	687.2	
22	Director and other unclassified--6.0 FTE positions ...		\$ 1,119,300
23	Departmental administration and management--493.2		
24	FTE positions .....		79,489,000
25	Demonstration projects--7.0 FTE positions.....		7,355,100
26	Developmental disabilities council and		
27	projects--10.0 FTE positions .....		3,067,000

1	Information technology projects and services .....	158,998,300
2	Michigan Medicaid information system .....	50,634,400
3	Office of inspector general--177.0 FTE positions .....	21,633,000
4	Rent and state office facilities .....	62,783,800
5	State office of administrative hearings and rules ....	11,140,300
6	Terminal pay and other employee costs .....	5,686,100
7	Worker's compensation program .....	<u>7,956,500</u>
8	GROSS APPROPRIATION .....	\$ 409,862,800
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG from department of education .....	2,979,000
12	Federal revenues:	
13	Social security act, temporary assistance for needy	
14	families .....	44,896,800
15	Capped federal revenues .....	32,314,000
16	Total other federal revenues .....	147,838,200
17	Special revenue funds:	
18	Total local revenues .....	16,400
19	Total private revenues .....	23,842,000
20	Total other state restricted revenues .....	2,824,600
21	State general fund/general purpose .....	\$ 155,151,800
22	<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
23	Full-time equated classified positions .....	185.7
24	Child support enforcement operations--179.7 FTE	
25	positions .....	\$ 22,151,300
26	Legal support contracts .....	113,359,100
27	Child support incentive payments .....	24,409,600

1	State disbursement unit--6.0 FTE positions .....	8,101,700
2	Child support automation.....	<u>41,877,600</u>
3	GROSS APPROPRIATION.....	\$ 209,899,300
4	Appropriated from:	
5	Federal revenues:	
6	Capped federal revenues.....	11,395,000
7	Total other federal revenues.....	163,998,000
8	Special revenue funds:	
9	State general fund/general purpose.....	\$ 34,506,300
10	<b>Sec. 104. COMMUNITY SERVICES AND OUTREACH</b>	
11	Full-time equated classified positions.....	74.6
12	Bureau of community services and outreach--20.0 FTE	
13	positions .....	\$ 2,503,700
14	Community services block grant.....	25,840,000
15	Weatherization assistance.....	16,340,000
16	School success partnership program.....	450,000
17	Homeless programs.....	15,721,900
18	Domestic violence prevention and treatment--14.6 FTE	
19	positions .....	15,766,200
20	Rape prevention and services--0.5 FTE position.....	5,097,300
21	Child advocacy centers--0.5 FTE position.....	2,000,000
22	Michigan community service commission--15.0 FTE	
23	positions .....	11,621,300
24	Housing and support services.....	13,031,000
25	Crime victim grants administration services--13.0	
26	FTE positions .....	2,165,100
27	Crime victim justice assistance grants.....	59,279,300

1	Crime victim rights services grants .....	16,870,000
2	Community services and outreach administration--11.0	
3	FTE positions .....	<u>1,709,100</u>
4	GROSS APPROPRIATION.....	\$ 188,394,900
5	Appropriated from:	
6	Federal revenues:	
7	Social security act, temporary assistance for needy	
8	families .....	11,686,700
9	Capped federal revenues.....	66,215,400
10	Total other federal revenues.....	76,265,100
11	Special revenue funds:	
12	Private - collections.....	44,100
13	Compulsive gambling prevention fund.....	1,040,500
14	Sexual assault victims' prevention and treatment fund	3,000,000
15	Child advocacy centers fund.....	2,000,000
16	Crime victim's rights fund.....	15,327,200
17	State general fund/general purpose.....	\$ 12,815,900
18	<b>Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD</b>	
19	<b>WELFARE</b>	
20	Full-time equated classified positions..... 3,896.2	
21	Children's services administration--172.0 FTE	
22	positions .....	\$ 19,900,700
23	Title IV-E compliance and accountability office--4.0	
24	FTE positions .....	421,300
25	Child welfare institute--45.0 FTE positions .....	7,820,400
26	Child welfare field staff - caseload	
27	compliance--2,511.0 FTE positions.....	230,862,600

1	Child welfare field staff - noncaseload	
2	compliance--320.0 FTE positions.....	33,671,400
3	Education planners--15.0 FTE positions.....	1,521,100
4	Peer coaches--45.5 FTE positions.....	5,702,100
5	Child welfare first line supervisors--578.0 FTE	
6	positions .....	72,313,800
7	Second line supervisors and technical staff--54.0	
8	FTE positions .....	8,833,600
9	Permanency resource managers--28.0 FTE positions.....	3,170,200
10	Contractual services, supplies, and materials.....	9,280,000
11	Settlement monitor.....	1,885,800
12	Foster care payments.....	185,628,400
13	Guardianship assistance program.....	11,153,700
14	Child care fund.....	183,375,800
15	Child care fund administration--4.2 FTE positions....	592,900
16	Adoption subsidies.....	222,808,700
17	Adoption support services--10.0 FTE positions.....	27,176,700
18	Youth in transition--4.5 FTE positions.....	15,301,900
19	Child welfare medical/psychiatric evaluations.....	10,435,500
20	Psychotropic oversight.....	618,200
21	Performance based funding implementation--3.0 FTE	
22	positions .....	1,778,900
23	Family support subsidy.....	16,951,400
24	Interstate compact.....	179,600
25	Strong families/safe children.....	12,350,100
26	Family preservation programs--23.0 FTE positions.....	38,872,800
27	Family preservation and prevention services	



1	administration--9.0 FTE positions.....	1,291,300
2	Child abuse and neglect - children's justice	
3	act--1.0 FTE position .....	621,800
4	Children's trust fund--12.0 FTE positions.....	3,323,400
5	Attorney general contract.....	4,321,800
6	Prosecuting attorney contracts.....	3,061,700
7	Child protection.....	800,300
8	Child welfare licensing--57.0 FTE positions.....	6,549,800
9	Child welfare administration travel.....	<u>375,000</u>
10	GROSS APPROPRIATION.....	\$ 1,142,952,700
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG from department of education.....	90,200
14	Federal revenues:	
15	Social security act, temporary assistance for needy	
16	families .....	360,871,800
17	Capped federal revenues.....	110,163,000
18	Total other federal revenues.....	247,761,700
19	Special revenue funds:	
20	Private - collections.....	2,424,000
21	Local funds - county chargeback.....	14,194,000
22	Children's trust fund.....	2,090,500
23	State general fund/general purpose.....	\$ 405,357,500
24	<b>Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE</b>	
25	<b>JUSTICE</b>	
26	Full-time equated classified positions..... 111.5	
27	W.J. Maxey Training School.....	\$ 500,000

1	Bay Pines Center--42.0 FTE positions .....	4,933,300
2	Shawono Center--42.0 FTE positions .....	5,021,400
3	County juvenile officers .....	3,904,300
4	Community support services--3.0 FTE positions .....	2,110,500
5	Juvenile justice, administration and	
6	maintenance--22.0 FTE positions .....	3,543,700
7	Committee on juvenile justice administration--2.5	
8	FTE positions .....	350,700
9	Committee on juvenile justice grants .....	<u>3,000,000</u>
10	GROSS APPROPRIATION .....	\$ 23,363,900
11	Appropriated from:	
12	Federal revenues:	
13	Capped federal revenues .....	8,018,200
14	Total other federal revenues .....	5,000
15	Special revenue funds:	
16	Local funds - state share education funds .....	1,324,200
17	Local funds - county chargeback .....	4,502,800
18	State general fund/general purpose .....	\$ 9,513,700
19	<b>Sec. 107. PUBLIC ASSISTANCE</b>	
20	Full-time equated classified positions..... 8.0	
21	Family independence program .....	\$ 97,669,100
22	State disability assistance payments .....	11,553,800
23	Food assistance program benefits .....	2,348,117,400
24	State supplementation .....	62,259,300
25	State supplementation administration .....	2,381,100
26	Low-income home energy assistance program .....	174,951,600
27	Food Bank Council of Michigan .....	2,045,000

1	Multicultural integration funding.....	13,303,800
2	Indigent burial.....	4,375,000
3	Emergency services local office allocations.....	10,357,500
4	Michigan energy assistance program--1.0 FTE position .	50,000,000
5	Refugee assistance program--7.0 FTE positions.....	<u>27,986,100</u>
6	GROSS APPROPRIATION.....	\$ 2,804,999,700
7	Appropriated from:	
8	Federal revenues:	
9	Social security act, temporary assistance for needy	
10	families .....	61,171,100
11	Capped federal revenues.....	205,500,300
12	Total other federal revenues.....	2,340,249,300
13	Special revenue funds:	
14	Child support collections.....	10,863,700
15	Supplemental security income recoveries.....	5,115,900
16	Public assistance recoupment revenue.....	6,290,000
17	Low-income energy assistance fund.....	50,000,000
18	State general fund/general purpose.....	\$ 125,809,400
19	<b>Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES</b>	
20	Full-time equated classified positions.....	6,501.5
21	Public assistance field staff--4,703.5 FTE positions .	\$ 475,636,200
22	Contractual services, supplies, and materials.....	16,282,000
23	Medical/psychiatric evaluations.....	1,420,100
24	Donated funds positions--538.0 FTE positions.....	60,878,700
25	Training and program support--20.0 FTE positions.....	2,432,000
26	Volunteer services and reimbursement.....	942,400
27	Field policy and administration--66.0 FTE positions ..	10,262,400

1	Adult services field staff--425.0 FTE positions .....	44,864,400
2	Nutrition education--2.0 FTE positions .....	23,042,700
3	Employment and training support services .....	4,219,100
4	Michigan rehabilitation services--526.0 FTE positions	131,221,800
5	Independent living .....	12,031,600
6	Electronic benefit transfer (EBT) .....	8,509,000
7	Administrative support workers--221.0 FTE positions ..	12,754,900
8	Elder Law of Michigan MiCAFE contract .....	350,000
9	Field staff travel .....	8,103,900
10	SSI advocacy legal services .....	<u>500,000</u>
11	GROSS APPROPRIATION .....	\$ 813,451,200
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG from department of corrections .....	101,200
15	IDG from department of education .....	7,678,800
16	Federal revenues:	
17	Social security act, temporary assistance for needy	
18	families .....	67,455,800
19	Capped federal revenues .....	161,523,300
20	Federal supplemental security income .....	8,588,600
21	Total other federal revenues .....	256,990,200
22	Special revenue funds:	
23	Local funds - donated funds .....	11,067,200
24	Local vocational rehabilitation match .....	6,534,600
25	Private funds - donated funds .....	18,420,200
26	Private funds - gifts, bequests, and donations .....	1,854,600
27	Rehabilitation service fees .....	384,500

1	Second injury fund.....		38,300
2	State general fund/general purpose.....	\$	272,813,900
3	<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>		
4	Full-time equated classified positions.....		587.4
5	Disability determination operations--583.3 FTE		
6	positions .....	\$	111,392,700
7	Retirement disability determination--4.1 FTE positions		<u>602,900</u>
8	GROSS APPROPRIATION.....	\$	111,995,600
9	Appropriated from:		
10	Interdepartmental grant revenues:		
11	IDG from DTMB - office of retirement services.....		778,300
12	Federal revenues:		
13	Total other federal revenues.....		107,784,000
14	State general fund/general purpose.....	\$	3,433,300
15	<b>Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION</b>		
16	<b>AND SPECIAL PROJECTS</b>		
17	Full-time equated classified positions.....		97.0
18	Behavioral health program administration--77.0 FTE		
19	positions .....	\$	54,184,200
20	Gambling addiction--1.0 FTE position.....		3,005,900
21	Protection and advocacy services support.....		194,400
22	Community residential and support services.....		592,100
23	Federal and other special projects.....		2,535,600
24	Office of recipient rights--19.0 FTE positions.....		<u>2,700,000</u>
25	GROSS APPROPRIATION.....	\$	63,212,200
26	Appropriated from:		
27	Federal revenues:		

1	Total other federal revenues.....	33,062,100
2	Special revenue funds:	
3	Total private revenues.....	1,004,700
4	Total other state restricted revenues.....	3,005,900
5	State general fund/general purpose.....	\$ 26,139,500
6	<b>Sec. 111. BEHAVIORAL HEALTH SERVICES</b>	
7	Full-time equated classified positions.....	9.5
8	Medicaid mental health services.....	\$ 2,336,960,100
9	Community mental health non-Medicaid services.....	120,050,400
10	Medicaid substance use disorder services.....	53,392,400
11	Civil service charges.....	1,499,300
12	Federal mental health block grant--2.5 FTE positions .	15,454,600
13	State disability assistance program substance use	
14	disorder services .....	2,018,800
15	Community substance use disorder prevention,	
16	education, and treatment .....	73,811,800
17	Children's waiver home care program.....	20,241,100
18	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,272,000
19	Children with serious emotional disturbance waiver ...	10,000,000
20	Health homes.....	3,369,000
21	Healthy Michigan plan - behavioral health.....	247,822,900
22	Autism services.....	61,168,400
23	University autism programs.....	<u>1,000,000</u>
24	GROSS APPROPRIATION.....	\$ 2,959,060,800
25	Appropriated from:	
26	Federal revenues:	
27	Total other federal revenues.....	1,953,136,000

1	Special revenue funds:	
2	Total local revenues.....	25,475,800
3	Total other state restricted revenues.....	22,512,700
4	State general fund/general purpose.....	\$ 957,936,300
5	<b>Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC</b>	
6	<b>MENTAL HEALTH SERVICES</b>	
7	Total average population .....	770.0
8	Full-time equated classified positions.....	2,220.9
9	Caro Regional Mental Health Center - psychiatric	
10	hospital - adult--461.3 FTE positions.....	\$ 57,270,900
11	Average population .....	145.0
12	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
13	positions .....	65,674,600
14	Average population .....	170.0
15	Walter P. Reuther Psychiatric Hospital -	
16	adult--420.8 FTE positions .....	56,872,000
17	Average population .....	160.0
18	Hawthorn Center - psychiatric hospital - children	
19	and adolescents--265.4 FTE positions.....	29,142,500
20	Average population .....	55.0
21	Center for forensic psychiatry--607.3 FTE positions ..	81,702,000
22	Average population .....	240.0
23	Revenue recapture.....	750,000
24	IDEA, federal special education.....	120,000
25	Special maintenance.....	332,500
26	Purchase of medical services for residents of	
27	hospitals and centers .....	445,600

1	Gifts and bequests for patient living and treatment	
2	environment .....	<u>1,000,000</u>
3	GROSS APPROPRIATION.....	\$ 293,310,100
4	Appropriated from:	
5	Federal revenues:	
6	Total other federal revenues.....	35,245,300
7	Special revenue funds:	
8	Other local revenues.....	19,886,700
9	Total private revenues.....	1,000,000
10	Total other state restricted revenues.....	19,238,100
11	State general fund/general purpose.....	\$ 217,940,000
12	<b>Sec. 113. HEALTH POLICY</b>	
13	Full-time equated classified positions..... 32.8	
14	Bone marrow transplant registry.....	\$ 250,000
15	Certificate of need program administration--12.3 FTE	
16	positions .....	2,803,800
17	Health innovation grants.....	1,000,000
18	Health policy administration--15.1 FTE positions .....	11,564,000
19	Human trafficking intervention services.....	200,000
20	Michigan essential health provider.....	3,591,300
21	Minority health grants and contracts.....	612,700
22	Nurse education and research program--3.0 FTE	
23	positions .....	780,900
24	Primary care services--1.4 FTE positions.....	4,068,500
25	Rural health services--1.0 FTE position.....	<u>1,555,500</u>
26	GROSS APPROPRIATION.....	\$ 26,426,700
27	Appropriated from:	



1	Interdepartmental grant revenues:	
2	Interdepartmental grant from the department of	
3	licensing and regulatory affairs.....	780,900
4	Interdepartmental grant from the department of	
5	treasury, Michigan state hospital finance authority.	117,700
6	Federal revenues:	
7	Total other federal revenues.....	16,631,200
8	Special revenue funds:	
9	Total private revenues.....	865,000
10	Total other state restricted revenues.....	2,686,100
11	State general fund/general purpose.....	\$ 5,345,800
12	<b>Sec. 114. LABORATORY SERVICES</b>	
13	Full-time equated classified positions.....	100.0
14	Laboratory services--100.0 FTE positions.....	\$ <u>20,520,500</u>
15	GROSS APPROPRIATION.....	\$ 20,520,500
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	Interdepartmental grant from the department of	
19	environmental quality .....	987,600
20	Federal revenues:	
21	Total other federal revenues.....	2,326,300
22	Special revenue funds:	
23	Total other state restricted revenues.....	10,403,900
24	State general fund/general purpose.....	\$ 6,802,700
25	<b>Sec. 115. DISEASE CONTROL, PREVENTION, AND</b>	
26	<b>EPIDEMIOLOGY</b>	
27	Full-time equated classified positions.....	74.9

1	Epidemiology administration--43.6 FTE positions .....	\$	16,044,500
2	Healthy homes program--8.0 FTE positions .....		4,254,900
3	Immunization program--12.8 FTE positions .....		16,872,100
4	Newborn screening follow-up and treatment		
5	services--10.5 FTE positions .....		<u>7,253,500</u>
6	GROSS APPROPRIATION.....	\$	44,425,000
7	Appropriated from:		
8	Federal revenues:		
9	Total other federal revenues.....		28,704,900
10	Special revenue funds:		
11	Total private revenues.....		339,400
12	Total other state restricted revenues.....		9,501,300
13	State general fund/general purpose.....	\$	5,879,400
14	<b>Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES</b>		
15	Full-time equated classified positions..... 236.2		
16	AIDS prevention, testing, and care programs--47.7		
17	FTE positions .....	\$	70,605,900
18	Cancer prevention and control program--13.0 FTE		
19	positions .....		15,051,600
20	Chronic disease control and health promotion		
21	administration--27.4 FTE positions.....		6,044,800
22	Dental programs--3.8 FTE positions.....		3,499,800
23	Diabetes and kidney program--8.0 FTE positions .....		3,049,100
24	Essential local public health services.....		40,886,100
25	Health and wellness initiatives--11.7 FTE positions ..		8,994,100
26	Implementation of 1993 PA 133, MCL 333.17015 .....		20,000
27	Local health services--1.3 FTE positions .....		452,500

1	Medicaid outreach cost reimbursement to local health		
2	departments .....		9,000,000
3	Public health administration--7.0 FTE positions .....		1,566,800
4	Sexually transmitted disease control program--20.0		
5	FTE positions .....		6,279,600
6	Smoking prevention program--12.0 FTE positions .....		2,142,100
7	Violence prevention--2.9 FTE positions .....		2,122,500
8	Vital records and health statistics--81.4 FTE		
9	positions .....		<u>11,932,300</u>
10	GROSS APPROPRIATION.....	\$	181,647,200
11	Appropriated from:		
12	Federal revenues:		
13	Capped federal revenues .....		81,100
14	Total other federal revenues .....		71,396,700
15	Special revenue funds:		
16	Total local revenues .....		5,150,000
17	Total private revenues .....		39,028,400
18	Total other state restricted revenues .....		20,164,900
19	State general fund/general purpose .....	\$	45,826,100
20	<b>Sec. 117. FAMILY, MATERNAL, AND CHILD HEALTH</b>		
21	Full-time equated classified positions..... 110.8		
22	Childhood lead program--2.5 FTE positions .....	\$	1,571,400
23	Family, maternal, and child health		
24	administration--49.3 FTE positions.....		8,460,900
25	Family planning local agreements .....		8,310,700
26	Local MCH services .....		7,018,100
27	Pregnancy prevention program.....		602,100

1	Prenatal care outreach and service delivery	
2	support--14.0 FTE positions .....	19,322,600
3	Special projects.....	6,289,100
4	Sudden and unexpected infant death and suffocation	
5	program .....	321,300
6	Women, infants, and children program administration	
7	and special projects--45.0 FTE positions.....	18,014,400
8	Women, infants, and children program local	
9	agreements and food costs .....	<u>256,285,000</u>
10	GROSS APPROPRIATION.....	\$ 326,195,600
11	Appropriated from:	
12	Federal revenues:	
13	Social security act, temporary assistance for needy	
14	families .....	400,000
15	Total other federal revenues.....	254,324,000
16	Special revenue funds:	
17	Total local revenues.....	75,000
18	Total private revenues.....	61,702,400
19	State general fund/general purpose.....	\$ 9,694,200
20	<b>Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND</b>	
21	<b>PREPAREDNESS</b>	
22	Full-time equated classified positions.....	75.0
23	Bioterrorism preparedness--52.0 FTE positions.....	\$ 30,207,700
24	Emergency medical services program--23.0 FTE positions	<u>6,563,600</u>
25	GROSS APPROPRIATION.....	\$ 36,771,300
26	Appropriated from:	
27	Federal revenues:	

1	Total other federal revenues.....		31,332,300
2	Special revenue funds:		
3	Total other state restricted revenues.....		4,004,900
4	State general fund/general purpose.....	\$	1,434,100
5	<b>Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>		
6	Full-time equated classified positions.....	46.8	
7	Children's special health care services		
8	administration--44.0 FTE positions.....	\$	5,990,100
9	Requests for care and services--2.8 FTE positions....		1,534,800
10	Outreach and advocacy.....		5,510,000
11	Nonemergency medical transportation.....		905,900
12	Medical care and treatment.....		<u>245,874,100</u>
13	GROSS APPROPRIATION.....	\$	259,814,900
14	Appropriated from:		
15	Federal revenues:		
16	Total other federal revenues.....		120,964,300
17	Special revenue funds:		
18	Total private revenues.....		1,013,200
19	Total other state restricted revenues.....		3,383,000
20	State general fund/general purpose.....	\$	134,454,400
21	<b>Sec. 120. AGING AND ADULT SERVICES AGENCY</b>		
22	Full-time equated classified positions.....	48.0	
23	Aging and adult services administration--48.0 FTE		
24	positions .....	\$	9,344,100
25	Community services.....		41,663,900
26	Nutrition services.....		39,044,000
27	Employment assistance.....		3,500,000

1	Respite care program.....	5,868,700
2	Senior volunteer service programs.....	<u>4,465,300</u>
3	GROSS APPROPRIATION.....	\$ 103,886,000
4	Appropriated from:	
5	Federal revenues:	
6	Capped federal revenues.....	368,100
7	Total other federal revenues.....	57,898,600
8	Special revenue funds:	
9	Total private revenues.....	520,000
10	Michigan merit award trust fund.....	4,068,700
11	Total other state restricted revenues.....	1,400,000
12	State general fund/general purpose.....	\$ 39,630,600
13	<b>Sec. 121. MEDICAL SERVICES ADMINISTRATION</b>	
14	Full-time equated classified positions.....	465.5
15	Medical services administration--395.5 FTE positions .	\$ 83,565,600
16	Healthy Michigan plan administration--31.0 FTE	
17	positions .....	59,302,500
18	Electronic health record incentive program--24.0 FTE	
19	positions .....	144,297,800
20	Technology supporting integrated service	
21	delivery--15.0 FTE positions .....	<u>6,308,000</u>
22	GROSS APPROPRIATION.....	\$ 293,473,900
23	Appropriated from:	
24	Federal revenues:	
25	Social security act, temporary assistance for needy	
26	families .....	749,600
27	Capped federal revenues.....	910,700

1	Total other federal revenues.....	244,619,100
2	Special revenue funds:	
3	Total local revenues.....	107,300
4	Total private revenues.....	101,300
5	Total other state restricted revenues.....	336,300
6	State general fund/general purpose.....	\$ 46,649,600
7	<b>Sec. 122. MEDICAL SERVICES</b>	
8	Hospital services and therapy.....	\$ 1,110,000,000
9	Hospital disproportionate share payments.....	45,000,000
10	Physician services.....	321,041,000
11	Medicare premium payments.....	472,654,500
12	Pharmaceutical services.....	537,467,000
13	Home health services.....	6,235,000
14	Hospice services.....	105,531,400
15	Transportation.....	21,418,300
16	Auxiliary medical services.....	6,235,700
17	Dental services.....	247,307,000
18	Ambulance services.....	18,376,100
19	Long-term care services.....	1,658,317,700
20	Integrated care organizations.....	230,633,300
21	Medicaid home- and community-based services waiver...	322,781,100
22	Adult home help services.....	310,389,700
23	Personal care services.....	11,043,700
24	Program of all-inclusive care for the elderly.....	87,874,800
25	Health plan services.....	4,923,494,400
26	Federal Medicare pharmaceutical program.....	249,182,100
27	Maternal and child health.....	20,279,500

1	Healthy Michigan plan.....	3,271,498,000
2	Subtotal basic medical services program.....	13,976,760,300
3	School-based services.....	109,937,200
4	Dental clinic program.....	2,000,000
5	Special Medicaid reimbursement.....	368,887,600
6	Subtotal special medical services payments.....	<u>480,824,800</u>
7	GROSS APPROPRIATION.....	\$ 14,457,585,100
8	Appropriated from:	
9	Federal revenues:	
10	Total other federal revenues.....	10,487,392,600
11	Special revenue funds:	
12	Total local revenues.....	36,111,800
13	Total private revenues.....	2,100,000
14	Michigan merit award trust fund.....	19,739,200
15	Total other state restricted revenues.....	2,074,273,400
16	State general fund/general purpose.....	\$ 1,837,968,100
17	<b>Sec. 123. ONE-TIME BASIS ONLY APPROPRIATIONS</b>	
18	Full-time equated classified positions..... 1.0	
19	Family preservation programs--1.0 FTE position.....	\$ 6,098,200
20	Integrated service delivery.....	36,922,500
21	Drinking water declaration of emergency.....	15,138,100
22	MiSACWIS implementation.....	11,538,600
23	Autism navigator.....	565,000
24	Demonstration projects - Michigan 2-1-1.....	300,000
25	Mobile electronic service verification study.....	<u>25,000</u>
26	GROSS APPROPRIATION.....	\$ 70,587,400
27	Appropriated from:	



1	Federal revenues:	
2	Social security act, temporary assistance for needy	
3	families .....	9,618,200
4	Total other federal revenues.....	41,049,600
5	Special revenue funds:	
6	Total other state restricted revenues.....	473,900
7	State general fund/general purpose.....	\$ 19,445,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

GENERAL SECTIONS

12 Sec. 201. Pursuant to section 30 of article IX of the state  
13 constitution of 1963, total state spending from state resources  
14 under part 1 for fiscal year 2016-2017 is \$6,668,715,800.00 and  
15 state spending from state resources to be paid to local units of  
16 government for fiscal year 2016-2017 is \$1,316,100,200.00. The  
17 itemized statement below identifies appropriations from which  
18 spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

COMMUNITY SERVICES AND OUTREACH

21	Housing and support services.....	\$ 638,300
22	Crime victim rights services grants.....	6,825,000

CHILDREN'S SERVICES AGENCY - CHILD WELFARE

24	Child care fund.....	\$ 139,165,200
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CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE

1	County juvenile officers.....	\$	3,525,200
2	PUBLIC ASSISTANCE		
3	Family independence program.....	\$	8,500
4	State disability assistance payments.....		948,400
5	Multicultural integration funding.....		5,478,200
6	BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS		
7	Community residential and support services.....	\$	292,100
8	BEHAVIORAL HEALTH SERVICES		
9	Medicaid mental health services.....	\$	780,138,400
10	Community mental health non-Medicaid services.....		120,050,400
11	Medicaid substance use disorder services.....		18,455,200
12	State disability assistance program substance use		
13	disorder services .....		2,018,800
14	Community substance use disorder prevention,		
15	education, and treatment .....		13,547,400
16	Children's waiver home care program.....		6,824,000
17	Nursing home PAS/ARR-OBRA.....		2,727,800
18	Children with serious emotional disturbance waiver...		2,500,000
19	Healthy Michigan plan - behavioral health.....		8,911,400
20	Autism services.....		21,211,900
21	HEALTH POLICY		
22	Primary care services.....	\$	87,700
23	LABORATORY SERVICES		
24	Laboratory services.....	\$	5,200
25	DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY		
26	Immunization program.....	\$	1,042,700
27	LOCAL HEALTH AND ADMINISTRATIVE SERVICES		

1	AIDS prevention, testing, and care programs .....	\$	929,400
2	Cancer prevention and control program .....		102,700
3	Chronic disease control and health promotion		
4	administration .....		7,100
5	Essential local public health services .....		34,199,500
6	Health and wellness initiatives .....		1,918,300
7	Implementation of 1993 PA 133, MCL 333.17015 .....		300
8	Sexually transmitted disease control program .....		194,300
9	FAMILY, MATERNAL, AND CHILD HEALTH		
10	Prenatal care outreach and service delivery support ..	\$	3,469,800
11	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
12	Outreach and advocacy .....	\$	2,755,000
13	Medical care and treatment .....		949,800
14	AGING AND ADULT SERVICES AGENCY		
15	Community services .....	\$	19,033,500
16	Nutrition services .....		11,087,000
17	Respite care program .....		5,868,700
18	Senior volunteer service programs .....		963,600
19	MEDICAL SERVICES		
20	Hospital services and therapy .....	\$	2,449,500
21	Physician services .....		12,504,900
22	Transportation .....		949,800
23	Dental services .....		1,402,400
24	Long-term care services .....		<u>82,912,800</u>
25	TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT .....	\$	1,316,100,200

26       Sec. 202. The appropriations authorized under this part and  
27 part 1 are subject to the management and budget act, 1984 PA 431,

1 MCL 18.1101 to 18.1594.

2 Sec. 203. As used in this part and part 1:

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

4 (b) "CMHSP" means a community mental health services program  
5 as that term is defined in section 100a of the mental health code,  
6 1974 PA 258, MCL 330.1100a.

7 (c) "Current fiscal year" means the fiscal year ending  
8 September 30, 2017.

9 (d) "Department" means the department of health and human  
10 services.

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

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

13 (g) "EPSDT" means early and periodic screening, diagnosis, and  
14 treatment.

15 (h) "Federal poverty level" means the poverty guidelines  
16 published annually in the Federal Register by the United States  
17 Department of Health and Human Services under its authority to  
18 revise the poverty line under 42 USC 9902.

19 (i) "FTE" means full-time equated.

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

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

24 (l) "HEDIS" means healthcare effectiveness data and  
25 information set.

26 (m) "HMO" means health maintenance organization.

27 (n) "IDEA" means the individuals with disabilities education

1 act, 20 USC 1400 to 1482.

2 (o) "IDG" means interdepartmental grant.

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

4 (q) "Medicaid" mean subchapter XIX of the social security act,  
5 42 USC 1396 to 1396w-5.

6 (r) "Medicare" means subchapter XVIII of the social security  
7 act, 42 USC 1395 to 1395lll.

8 (s) "MiCAFE" means Michigan's coordinated access to food for  
9 the elderly.

10 (t) "MiChild" means the program described in section 1670.

11 (u) "MiSACWIS" means Michigan statewide automated child  
12 welfare information system.

13 (v) "PAS/ARR-OBRA" means the preadmission screening and annual  
14 resident review required under the omnibus budget reconciliation  
15 act of 1987, section 1919(e)(7) of the social security act, 42 USC  
16 1396r.

17 (w) "PIHP" means an entity designated by the department as a  
18 regional entity or a specialty prepaid inpatient health plan for  
19 Medicaid mental health services, services to individuals with  
20 developmental disabilities, and substance use disorder services.  
21 Regional entities are described in section 204b of the mental  
22 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid  
23 inpatient health plans are described in section 232b of the mental  
24 health code, 1974 PA 258, MCL 330.1232b.

25 (x) "Previous fiscal year" means the fiscal year ending  
26 September 30, 2016.

27 (y) "Settlement" means the settlement agreement entered in the

1 case of Dwayne B. v Snyder, docket no. 2:06-cv-13548 in the United  
2 States District Court for the Eastern District of Michigan.

3 (z) "SSI" means supplemental security income.

4 (aa) "Temporary assistance for needy families" or "TANF" or  
5 "title IV-A" means part A of subchapter IV of the social security  
6 act, 42 USC 601 to 619.

7 (bb) "Title IV-B" means part B of title IV of the social  
8 security act, 42 USC 620 to 629m.

9 (cc) "Title IV-D" means part D of title IV of the social  
10 security act, 42 USC 651 to 669b.

11 (dd) "Title IV-E" means part E of title IV of the social  
12 security act, 42 USC 670 to 679c.

13 (ee) "Title X" means subchapter VIII of the public health  
14 service act, 42 USC 300 to 300a-8, which establishes grants to  
15 states for family planning services.

16 Sec. 204. In addition to the metrics required under section  
17 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for  
18 each new program or program enhancement for which funds in excess  
19 of \$1,000,000.00 are appropriated in part 1, the department shall  
20 provide not later than November 1 of the current fiscal year a list  
21 of program-specific metrics intended to measure its performance  
22 based on a return on taxpayer investment. The department shall  
23 deliver the program-specific metrics to members of the senate and  
24 house subcommittees on the department budget, fiscal agencies, and  
25 the state budget director. The department shall provide an update  
26 on its progress in tracking program-specific metrics and the status  
27 of program success at an appropriations subcommittee meeting called

1 for by the subcommittee chair.

2       Sec. 205. According to section 1b of the social welfare act,  
3 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this  
4 part as a time-limited addendum to the social welfare act, 1939 PA  
5 280, MCL 400.1 to 400.119b.

6       Sec. 206. (1) In addition to the funds appropriated in part 1,  
7 there is appropriated an amount not to exceed \$400,000,000.00 for  
8 federal contingency funds. These funds are not available for  
9 expenditure until they have been transferred to another line item  
10 in part 1 under section 393(2) of the management and budget act,  
11 1984 PA 431, MCL 18.1393. These funds shall not be made available  
12 to increase TANF authorization.

13       (2) In addition to the funds appropriated in part 1, there is  
14 appropriated an amount not to exceed \$45,000,000.00 for state  
15 restricted contingency funds. These funds are not available for  
16 expenditure until they have been transferred to another line item  
17 in part 1 under section 393(2) of the management and budget act,  
18 1984 PA 431, MCL 18.1393.

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

25       (4) In addition to the funds appropriated in part 1, there is  
26 appropriated an amount not to exceed \$60,000,000.00 for private  
27 contingency funds. These funds are not available for expenditure

1 until they have been transferred to another line item in part 1  
2 under section 393(2) of the management and budget act, 1984 PA 431,  
3 MCL 18.1393.

4 Sec. 207. The department shall maintain, on a publicly  
5 accessible website, a department scorecard that identifies, tracks,  
6 and regularly updates key metrics that are used to monitor and  
7 improve the department's performance.

8 Sec. 208. Unless otherwise specified, the departments and  
9 agencies receiving appropriations in part 1 shall use the Internet  
10 to fulfill the reporting requirements of this part and part 1. This  
11 requirement shall include transmission of reports via electronic  
12 mail to the recipients identified for each reporting requirement,  
13 and it shall include placement of reports on the Internet.

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

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



1 department contracts to subcontract with certified businesses in  
2 depressed and deprived communities for services, supplies, or both.

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

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

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

22       Sec. 213. The state departments, agencies, and commissions  
23 receiving tobacco tax funds and Healthy Michigan fund revenue from  
24 part 1 shall report by April 1 of the current fiscal year to the  
25 senate and house appropriations committees, the senate and house  
26 fiscal agencies, and the state budget director on the following:

27       (a) Detailed spending plan by appropriation line item

1 including description of programs and a summary of organizations  
2 receiving these funds.

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

5 (c) Eligibility criteria for program participation and maximum  
6 benefit levels where applicable.

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

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

13 Sec. 214. By March 1 and August 1 of the current fiscal year,  
14 the department shall report on the number of FTEs in pay status by  
15 type of staff.

16 Sec. 215. If a legislative objective of this part or of a bill  
17 or amendment to a bill to amend the social welfare act, 1939 PA  
18 280, MCL 400.1 to 400.119b, cannot be implemented because  
19 implementation would conflict with or violate federal regulations,  
20 the department shall notify the state budget director, the chairs  
21 of the house and senate subcommittees on the department budget, and  
22 the house and senate fiscal agencies and policy offices of that  
23 fact.

24 Sec. 216. (1) In addition to funds appropriated in part 1 for  
25 all programs and services, there is appropriated for write-offs of  
26 accounts receivable, deferrals, and for prior year obligations in  
27 excess of applicable prior year appropriations, an amount equal to

1 total write-offs and prior year obligations, but not to exceed  
2 amounts available in prior year revenues.

3 (2) The department's ability to satisfy appropriation fund  
4 sources in part 1 shall not be limited to collections and accruals  
5 pertaining to services provided in the current fiscal year, but  
6 shall also include reimbursements, refunds, adjustments, and  
7 settlements from prior years.

8 Sec. 217. The departments and agencies receiving  
9 appropriations in part 1 shall prepare a report on out-of-state  
10 travel expenses not later than January 1 of each year. The travel  
11 report shall be a listing of all travel by classified and  
12 unclassified employees outside this state in the immediately  
13 preceding fiscal year that was funded in whole or in part with  
14 funds appropriated in the department's budget. The report shall be  
15 submitted to the senate and house appropriations committees, the  
16 house and senate fiscal agencies, and the state budget director.  
17 The report shall include the following information:

18 (a) The dates of each travel occurrence.

19 (b) The transportation and related costs of each travel  
20 occurrence, including the proportion funded with state general  
21 fund/general purpose revenues, the proportion funded with state  
22 restricted revenues, the proportion funded with federal revenues,  
23 and the proportion funded with other revenues.

24 Sec. 218. The department shall include, but not be limited to,  
25 the following in its annual list of proposed basic health services  
26 as required in part 23 of the public health code, 1978 PA 368, MCL  
27 333.2301 to 333.2321:

1 (a) Immunizations.

2 (b) Communicable disease control.

3 (c) Sexually transmitted disease control.

4 (d) Tuberculosis control.

5 (e) Prevention of gonorrhoea eye infection in newborns.

6 (f) Screening newborns for the conditions listed in section  
7 5431 of the public health code, 1978 PA 368, MCL 333.5431, or  
8 recommended by the newborn screening quality assurance advisory  
9 committee created under section 5430 of the public health code,  
10 1978 PA 368, MCL 333.5430.

11 (g) Health and human services annex of the Michigan emergency  
12 management plan.

13 (h) Prenatal care.

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

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

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

1 (c) The expected project duration.

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

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

11 Sec. 220. The department shall ensure that faith-based  
12 organizations are able to apply and compete for services, programs,  
13 or contracts that they are qualified and suitable to fulfill. The  
14 department shall not disqualify faith-based organizations solely on  
15 the basis of the religious nature of their organization or their  
16 guiding principles or statements of faith.

17 Sec. 222. (1) The department shall make the entire policy and  
18 procedures manual available and accessible to the public via the  
19 department website.

20 (2) The department shall report no later than April 1 of the  
21 current fiscal year on each specific policy change made to  
22 implement a public act affecting the department that took effect  
23 during the prior calendar year to the house and senate  
24 appropriations subcommittees on the budget for the department, the  
25 joint committee on administrative rules, the senate and house  
26 fiscal agencies, and policy offices. The department shall attach  
27 each policy bulletin issued during the prior calendar year to this

1 report.

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

9       Sec. 224. The department may retain all of the state's share  
10 of food assistance overissuance collections as an offset to general  
11 fund/general purpose costs. Retained collections shall be applied  
12 against federal funds deductions in all appropriation units where  
13 department costs related to the investigation and recoupment of  
14 food assistance overissuances are incurred. Retained collections in  
15 excess of such costs shall be applied against the federal funds  
16 deducted in the departmentwide administration appropriation unit.

17       Sec. 225. (1) Sanctions, suspensions, conditions for  
18 provisional license status, and other penalties shall not be more  
19 stringent for private service providers than for public entities  
20 performing equivalent or similar services.

21       (2) Neither the department nor private service providers or  
22 licensees shall be granted preferential treatment or considered  
23 automatically to be in compliance with administrative rules based  
24 on whether they have collective bargaining agreements with direct  
25 care workers. Private service providers or licensees without  
26 collective bargaining agreements shall not be subjected to  
27 additional requirements or conditions of licensure based on their

1 lack of collective bargaining agreements.

2       Sec. 228. From the funds appropriated in part 1 for Healthy  
3 Michigan plan, \$1,000,000.00 shall be distributed to the Medicaid  
4 health plans to inform residents about Healthy Michigan plan  
5 incentives that have been shown to improve health outcomes. The  
6 incentives shall be limited to those health outcomes measured  
7 within the Healthy Michigan plan evaluation. The department shall  
8 not use funds appropriated in part 1 to advertise enrollment in the  
9 Healthy Michigan plan.

10       Sec. 229. (1) The department shall extend the interagency  
11 agreement with the talent investment agency for the duration of the  
12 current fiscal year, which concerns TANF funding to provide job  
13 readiness and welfare-to-work programming. The interagency  
14 agreement shall include specific outcome and performance reporting  
15 requirements as described in this section. TANF funding provided to  
16 the talent investment agency in the current fiscal year is  
17 contingent on compliance with the data and reporting requirements  
18 described in this section. The interagency agreement must require  
19 the talent investment agency to provide all of the following items  
20 by January 1 of the current fiscal year for the previous fiscal  
21 year to the senate and house appropriations committees on the  
22 department budget:

23       (a) An itemized spending report on TANF funding, including all  
24 of the following:

25       (i) Direct services to recipients.

26       (ii) Administrative expenditures.

27       (b) The number of family independence program (FIP) recipients

1 served through the TANF funding, including all of the following:

2 (i) The number and percentage who obtained employment through  
3 Michigan Works!

4 (ii) The number and percentage who fulfilled their TANF work  
5 requirement through other job readiness programming.

6 (iii) Average TANF spending per recipient.

7 (iv) The number and percentage of recipients who were referred  
8 to Michigan Works! but did not receive a job or job readiness  
9 placement and the reasons why.

10 (2) Not later than March 1 of the current fiscal year, the  
11 department shall provide to the senate and house appropriations  
12 subcommittees on the department budget, the senate and house fiscal  
13 agencies, and the senate and house policy offices an annual report  
14 on the following matters itemized by Michigan Works! agency: the  
15 number of referrals to Michigan Works! job readiness programs, the  
16 number of referrals to Michigan Works! job readiness programs who  
17 became a participant in the Michigan Works! job readiness programs,  
18 the number of participants who obtained employment, and the cost  
19 per participant case.

20 Sec. 230. (1) By December 1 of the current fiscal year, the  
21 department shall report to the senate and house appropriations  
22 subcommittees on the department budget, the senate and house fiscal  
23 agencies, the senate and house policy offices, and the state budget  
24 office all of the following information:

25 (a) The process used to define requests for proposals for each  
26 expansion of information technology projects, including timelines,  
27 project milestones, and intended outcomes.



1 (b) If the department decides not to contract the services out  
2 to design and implement each element of the information technology  
3 expansion, the department shall submit its own project plan, which  
4 includes, at a minimum, the requirements in subdivision (a).

5 (c) A recommended project management plan with milestones and  
6 time frames.

7 (d) The proposed benefits from implementing the information  
8 technology expansion, including customer service improvement, form  
9 reductions, potential time savings, caseload reduction, and return  
10 on investment.

11 (2) Once an award for an expansion of information technology  
12 is made, the department shall report to the senate and house  
13 appropriations subcommittees on the department budget, the senate  
14 and house fiscal agencies, the senate and house policy offices, and  
15 the state budget office a projected cost of the expansion broken  
16 down by use and type of expense.

17 Sec. 231. From the funds appropriated in part 1 for travel  
18 reimbursements to employees, the department shall allocate up to  
19 \$100,000.00 toward reimbursing counties for the out-of-pocket  
20 travel costs of the local county department board members and  
21 county department directors to attend 1 meeting per year of the  
22 Michigan County Social Services Association.

23 Sec. 233. By March 31 and September 30 of the current fiscal  
24 year, the department shall report to the senate and house  
25 appropriations subcommittees on the department budget, the senate  
26 and house fiscal agencies, the senate and house policy offices, and  
27 state budget office on the status of the merger, executed according

1 to Executive Order No. 2015-4, of the department of community  
2 health and the department of human services to create the  
3 department of health and human services. The report must indicate  
4 changes from the prior report and shall include, but not be limited  
5 to, all of the following information:

6 (a) The impact on client service delivery or access to  
7 services, including the restructuring or consolidation of services.

8 (b) Any cost increases or reductions that resulted from rent  
9 or building occupancy changes.

10 (c) Facilities in use, including any office closures or  
11 consolidations, or new office locations, including hoteling  
12 stations.

13 (d) Current status of FTE positions, including the number of  
14 FTE positions that were eliminated or added due to duplication of  
15 efforts.

16 (e) Any other efficiencies, costs, or savings associated with  
17 the merger.

18 Sec. 240. The department shall notify the house and senate  
19 appropriations subcommittees on the department budget, the house  
20 and senate fiscal agencies, and the house and senate policy offices  
21 of any changes to a child welfare master contract template,  
22 including the adoption master contract template, the independent  
23 living plus master contract template, the placing agency foster  
24 care master contract template, and the residential foster care  
25 juvenile justice master contract template, not less than 30 days  
26 before the change takes effect.

27 Sec. 252. The appropriations in part 1 for Healthy Michigan

1 plan - behavioral health, Healthy Michigan plan administration, and  
2 Healthy Michigan plan are contingent on the provisions of the  
3 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were  
4 contained in 2013 PA 107 not being amended, repealed, or otherwise  
5 altered to eliminate the Healthy Michigan plan. If that occurs,  
6 then, upon the effective date of the amendatory act that amends,  
7 repeals, or otherwise alters those provisions, the remaining funds  
8 in the Healthy Michigan plan - behavioral health, Healthy Michigan  
9 plan administration, and Healthy Michigan plan line items shall  
10 only be used to pay previously incurred costs and any remaining  
11 appropriations shall not be allotted to support those line items.

12       Sec. 263. (1) Except as otherwise provided in this subsection,  
13 before submission of a waiver, a state plan amendment, or a similar  
14 proposal to the Centers for Medicare and Medicaid Services or other  
15 federal agency, the department shall provide written notification  
16 of the planned submission to the house and senate appropriations  
17 subcommittees on the department budget, the house and senate fiscal  
18 agencies and policy offices, and the state budget office. This  
19 subsection does not apply to the submission of a waiver, a state  
20 plan amendment, or similar proposal that does not propose a  
21 material change or is outside of the ordinary course of waiver,  
22 state plan amendment, or similar proposed submissions.

23       (2) The department shall provide written biannual reports to  
24 the senate and house appropriations subcommittees on the department  
25 budget, the senate and house fiscal agencies, and the state budget  
26 office summarizing the status of any new or ongoing discussions  
27 with the Centers for Medicare and Medicaid Services or the United

1 States Department of Health and Human Services or other federal  
2 agency regarding potential or future waiver applications as well as  
3 the status of submitted waivers that have not yet received federal  
4 approval. If, at the time a biannual report is due, there are no  
5 reportable items, then no report is required to be provided.

6 Sec. 264. The department shall not take disciplinary action  
7 against an employee for communicating with a member of the  
8 legislature or his or her staff.

9 Sec. 265. Within 14 days after the release of the executive  
10 budget recommendation, the department shall cooperate with the  
11 state budget office to provide the senate and house appropriations  
12 chairs, the senate and house appropriations subcommittees chairs on  
13 the department budget, and the senate and house fiscal agencies  
14 with an annual report on estimated state restricted fund balances,  
15 state restricted fund projected revenues, and state restricted fund  
16 expenditures for the previous fiscal year and the current fiscal  
17 year.

18 Sec. 270. The department shall advise the legislature of the  
19 receipt of a notification from the attorney general's office of a  
20 legal action in which expenses had been recovered pursuant to  
21 section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106,  
22 or any other statute under which the department has the right to  
23 recover expenses. By November 1 and May 1 of the current fiscal  
24 year, the department shall submit a written report to the house and  
25 senate appropriations subcommittees on the department budget, the  
26 house and senate fiscal agencies, and the state budget office that  
27 includes, at a minimum, all of the following:

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

2 (b) The program or service for which the money was originally  
3 expended.

4 (c) Details on the disposition of the funds recovered such as  
5 the appropriation or revenue account in which the money was  
6 deposited.

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

8 Sec. 274. (1) The department, in collaboration with the state  
9 budget office, shall submit to the house and senate appropriations  
10 subcommittees on the department budget, the house and senate fiscal  
11 agencies, and the house and senate policy offices 1 week after the  
12 day the governor submits to the legislature the budget for the  
13 ensuing fiscal year a report on spending and revenue projections  
14 for each of the capped federal funds listed below. The report shall  
15 contain actual spending and revenue in the previous fiscal year,  
16 spending and revenue projections for the current fiscal year as  
17 enacted, and spending and revenue projections within the executive  
18 budget proposal for the fiscal year beginning October 1, 2017 for  
19 each individual line item for the department budget. The report  
20 shall also include federal funds transferred to other departments.  
21 The capped federal funds shall include, but not be limited to, all  
22 of the following:

23 (a) TANF.

24 (b) Title XX social services block grant.

25 (c) Title IV-B part I child welfare services block grant.

26 (d) Title IV-B part II promoting safe and stable families  
27 funds.

1 (e) Low-income home energy assistance program.

2 (2) The department, in collaboration with the state budget  
3 office, shall not utilize capped federal funding for economics  
4 adjustments for FTEs or other economics costs that are included as  
5 part of the budget submitted to the legislature by the governor for  
6 the ensuing fiscal year.

7 (3) By February 15 of the current fiscal year, the department  
8 shall prepare an annual report of its efforts to identify  
9 additional TANF maintenance of effort sources and rationale for any  
10 increases or decreases from all of the following, but not limited  
11 to:

12 (a) Other departments.

13 (b) Local units of government.

14 (c) Private sources.

15 Sec. 275. (1) As part of the year-end closing process, the  
16 department, with the approval of the state budget director, is  
17 authorized to realign sources between other federal, TANF, and  
18 capped federal financing authorizations in order to maximize  
19 federal revenues. This realignment of financing shall not produce a  
20 gross increase or decrease in the department's total individual  
21 line item authorizations, nor will it produce a net increase or  
22 decrease in total federal revenues, or a net increase in TANF  
23 authorization.

24 (2) Not later than November 30, the department shall submit to  
25 the house and senate appropriations subcommittees on the department  
26 budget, the house and senate fiscal agencies, and the house and  
27 senate policy offices a report on the realignment of federal fund

1 sources that took place as part of the year-end closing process for  
2 the previous fiscal year.

3       Sec. 276. Funds appropriated in part 1 shall not be used by a  
4 principal executive department, state agency, or authority to hire  
5 a person to provide legal services that are the responsibility of  
6 the attorney general. This prohibition does not apply to legal  
7 services for bonding activities and for those outside services that  
8 the attorney general authorizes.

9       Sec. 279. (1) All master contracts relating to human services  
10 as funded by the appropriations in sections 103, 104, 105, 106,  
11 107, 108, and 109 of part 1 shall be performance-based contracts  
12 that employ a client-centered results-oriented process that is  
13 based on measurable performance indicators and desired outcomes and  
14 includes the annual assessment of the quality of services provided.

15       (2) By February 1 of the current fiscal year, the department  
16 shall provide the senate and house appropriations subcommittees on  
17 the department budget, the senate and house fiscal agencies and  
18 policy offices, and the state budget office a report detailing  
19 measurable performance indicators, desired outcomes, and an  
20 assessment of the quality of services provided by the department  
21 during the previous fiscal year.

22       Sec. 280. On a quarterly basis, the department shall provide a  
23 report to the house and senate appropriations committees, the house  
24 and senate fiscal agencies, the house and senate policy offices,  
25 and the state budget director that provides all of the following  
26 for each line item in part 1 containing personnel-related costs,  
27 including the specific individual amounts for salaries and wages,

1 payroll taxes, and fringe benefits:

2 (a) FTE authorization.

3 (b) Spending authorization for personnel-related costs, by  
4 fund source, under the spending plan.

5 (c) Actual year-to-date expenditures for personnel-related  
6 costs, by fund source, through the end of the prior month.

7 (d) The projected year-end balance or shortfall for personnel-  
8 related costs, by fund source, based on actual monthly spending  
9 levels through the end of the prior month.

10 (e) A specific plan for addressing any projected shortfall for  
11 personnel-related costs at either the gross or fund source level.

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

21 Sec. 288. (1) Beginning October 1 of the current fiscal year,  
22 no less than 90% of a new department contract supported solely from  
23 state restricted funds or general fund/general purpose funds and  
24 designated in this part or part 1 for a specific entity for the  
25 purpose of providing services to individuals shall be expended for  
26 such services after the first year of the contract.

27 (2) The department may allow a contract to exceed the



1 limitation on administrative and services costs if it can be  
2 demonstrated that an exception should be made to the provision in  
3 subsection (1).

4 (3) By September 30 of the current fiscal year, the department  
5 shall report to the house and senate appropriations subcommittees  
6 on the department budget, house and senate fiscal agencies, and  
7 state budget office on the rationale for all exceptions made to the  
8 provision in subsection (1) and the number of contracts terminated  
9 due to violations of subsection (1).

10 Sec. 289. By March 1 of the current fiscal year, the  
11 department shall provide to the senate and house appropriations  
12 subcommittees on the department budget, the senate and house fiscal  
13 agencies, and the senate and house policy offices an annual report  
14 on the supervisor-to-staff ratio by department divisions and  
15 subdivisions.

16 Sec. 290. Any public advertisement for state assistance shall  
17 also inform the public of the welfare fraud hotline operated by the  
18 department.

19 Sec. 291. The department shall verify, using the e-verify  
20 system, that all new department employees, and new hire employees  
21 of contractors and subcontractors paid from funds appropriated in  
22 part 1, are legally present in the United States. The department  
23 may verify this information directly or may require contractors and  
24 subcontractors to verify the information and submit a certification  
25 to the department.

26 Sec. 292. The department shall cooperate with the department  
27 of technology, management, and budget to maintain a searchable

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

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 Sec. 293. (1) The department shall explore a project to  
12 implement a cloud-based, interactive analytics platform for  
13 Medicaid claims to identify areas of best practice, cost-reduction  
14 and quality improvement opportunities, and comparative cost  
15 analysis among providers, hospitals, and managed care  
16 organizations. The analytics platform would include the ability to  
17 adjust for variations in patient risk and acuity differences when  
18 comparing performance across regions and hospitals. The analytics  
19 platform would provide data analysis on, but not be limited to,  
20 readmission rates, mortality, complication rates, and total episode  
21 costs across high-volume acute episodes of care, including pre- and  
22 post-discharge costs.

23 (2) The project would include a methodology to identify and  
24 measure savings generated by the project. The legislative intent is  
25 that an amount appropriated for the project would not exceed the  
26 anticipated savings generated by the project.

27 Sec. 294. From the funds appropriated in part 1 for the

1 Michigan Medicaid information system (MMIS) line item,  
2 \$20,000,000.00 in private revenue may be received from and  
3 allocated for other states interested in participating as part of  
4 the broader MMIS initiative. By March 1 of the current fiscal year,  
5 the department shall provide a report on the use of MMIS by other  
6 states for the previous fiscal year, including a list of states,  
7 type of use, and revenue and expenditures related to the agreements  
8 with the other states to use the MMIS. The report shall be provided  
9 to the house and senate appropriations subcommittees on the  
10 department budget, the house and senate fiscal agencies, and the  
11 state budget office.

12       Sec. 295. (1) From the funds appropriated in part 1 to  
13 agencies providing physical and behavioral health services to  
14 multicultural populations, the department shall competitively award  
15 grants in accordance with the requirements of subsection (2). The  
16 state is not liable for any spending above the contract amount.

17       (2) The department shall require each contractor described in  
18 subsection (1) that receives greater than \$1,000,000.00 in state  
19 grant funding to comply with performance-related metrics to  
20 maintain their eligibility for funding. The organizational metrics  
21 shall include, but not be limited to, all of the following:

22       (a) Each contractor or subcontractor shall have accreditations  
23 that attest to their competency and effectiveness as behavioral  
24 health and social service agencies.

25       (b) Each contractor or subcontractor shall have a mission that  
26 is consistent with the purpose of the multicultural agency.

27       (c) Each contractor shall validate that any subcontractors

1 utilized within these appropriations share the same mission as the  
2 lead agency receiving funding.

3 (d) Each contractor or subcontractor shall demonstrate cost-  
4 effectiveness.

5 (e) Each contractor or subcontractor shall ensure their  
6 ability to leverage private dollars to strengthen and maximize  
7 service provision.

8 (f) Each contractor or subcontractor shall provide timely and  
9 accurate reports regarding the number of clients served, units of  
10 service provision, and ability to meet their stated goals.

11 (3) The department shall require an annual report from the  
12 contractors described in subsection (2). The annual report, due 60  
13 days following the end of the contract period, shall include  
14 specific information on services and programs provided, the client  
15 base to which the services and programs were provided, information  
16 on any wraparound services provided, and the expenditures for those  
17 services. The department shall provide the annual reports to the  
18 senate and house appropriations subcommittees on health and human  
19 services, the senate and house fiscal agencies, and the state  
20 budget office.

21 Sec. 297. Total authorized appropriations from all sources  
22 under part 1 for legacy costs for the current fiscal year are  
23 \$364,972,800.00. From this amount, total agency appropriations for  
24 pension-related legacy costs are estimated at \$202,368,400.00.  
25 Total agency appropriations for retiree health care legacy costs  
26 are estimated at \$162,604,400.00.

27 Sec. 298. (1) The department shall work with a workgroup to

1 make recommendations regarding the most effective financing model  
2 and policies for behavioral health services in order to improve the  
3 coordination of behavioral and physical health services for  
4 individuals with mental illnesses, intellectual and developmental  
5 disabilities, and substance use disorders. The workgroup shall  
6 include, but not be limited to, the Michigan Association of  
7 Community Mental Health Boards, Medicaid health plans, and  
8 advocates for consumers of behavioral health services.

9 (2) The workgroup shall consider the following goals in making  
10 its recommendations:

11 (a) Core principles of person-centered planning, self-  
12 determination, full community inclusion, access to CMHSP services,  
13 and recovery orientation.

14 (b) Avoiding the return to a medical and institutional model  
15 of supports and services for individuals with behavioral health and  
16 developmental disability needs.

17 (c) Coordination of physical health and behavioral health care  
18 and services at the point at which the consumer receives that care  
19 and those services.

20 (d) Ensure full access to community-based services and  
21 supports.

22 (e) Ensure full access to integrated behavioral and physical  
23 health services within community-based settings.

24 (f) Reinvesting efficiencies gained back into services.

25 (g) Ensure transparent public oversight, governance, and  
26 accountability.

27 (3) The workgroup's recommendations shall include a detailed

1 plan for the transition to any new financing model or policies  
2 recommended by the workgroup, including a plan to ensure continuity  
3 of care for consumers of behavioral health services in order to  
4 prevent current customers of behavioral health services from  
5 experiencing a disruption of services and supports, identification  
6 of ways to enhance services and supports, and identification of any  
7 gaps in services and supports. The workgroup shall consider the use  
8 of 1 or more pilot programs in areas with an appropriate number of  
9 consumers of behavioral health services and a range of behavioral  
10 health needs as part of that transition plan.

11 (4) The workgroup's recommendations shall also recommend  
12 annual benchmarks to measure progress in implementation of any new  
13 financing model or policy recommendations over a 3-year period and  
14 ensure that actuarially sound per member per month payments for  
15 Medicaid behavioral health services are no less than the per member  
16 per month payments used for Medicaid behavioral health services in  
17 the fiscal year ending September 30, 2017.

18 (5) The department shall provide, after each workgroup  
19 meeting, a status update on the workgroup's progress and, by  
20 January 15 of the current fiscal year, a final report on the  
21 workgroup's recommendations to the senate and house appropriations  
22 subcommittees on the department budget, the senate and house fiscal  
23 agencies, the senate and house policy offices, and the state budget  
24 office.

25 (6) Except for pilot programs described in subsection (3), no  
26 funding that has been paid to the prepaid inpatient health plans in  
27 prior fiscal years from the Medicaid mental health services,

1 Medicaid substance use disorder services, Healthy Michigan plan-  
2 behavioral health, or autism services appropriation line items  
3 shall be transferred or paid to any other entity without specific  
4 legislative authorization through enactment of a budget act  
5 containing appropriation line-item changes or authorizing  
6 boilerplate language.

7       Sec. 299. (1) No state department or agency shall issue a  
8 request for proposal (RFP) for a contract in excess of  
9 \$5,000,000.00, unless the department or agency has first considered  
10 issuing a request for information (RFI) or a request for  
11 qualification (RFQ) relative to that contract to better enable the  
12 department or agency to learn more about the market for the  
13 products or services that are the subject of the RFP. The  
14 department or agency shall notify the department of technology,  
15 management, and budget of the evaluation process used to determine  
16 if an RFI or RFQ was not necessary prior to issuing the RFP.

17       (2) From funds appropriated in part 1, for all RFPs issued  
18 during the current fiscal year where an existing service received  
19 proposals by multiple vendors, the department shall notify all  
20 vendors within 30 days of the RFP decision. The notification to  
21 vendors shall include details on the RFP process, including the  
22 respective RFP scores and the respective cost for each vendor. If  
23 the highest scored RFP or lowest cost RFP does not receive the  
24 contract for an existing service offered by the department, the  
25 notification shall issue an explanation for the reasons that the  
26 highest scored RFP or lowest cost RFP did not receive the contract  
27 and detail the incremental cost target amount or service level

1 required that was required to migrate the service to a new vendor.  
2 Additionally, the department shall include in the notification  
3 details as to why a cost or service difference is justifiable if  
4 the highest scored or lowest cost vendor does not receive the  
5 contract.

6 (3) The department shall submit to the senate and house  
7 appropriations subcommittees on the department budget, the senate  
8 and house fiscal agencies, the senate and house policy offices, and  
9 the state budget office by September 30 of the current fiscal year  
10 a report that summarizes all RFPs during the current fiscal year  
11 where an existing service received proposals by multiple vendors.  
12 The report shall list all finalized RFPs where there was a  
13 divergence from awarding the contract to the lowest cost or highest  
14 scoring vendor. The report shall also include the cost or service  
15 threshold required by department policy that must be satisfied in  
16 order for an existing contract to be received by new vendor.

17 **DEPARTMENTWIDE ADMINISTRATION**

18 Sec. 307. (1) From the funds appropriated in part 1 for  
19 demonstration projects, \$950,000.00 shall be distributed as  
20 provided in subsection (2). The amount distributed under this  
21 subsection shall not exceed 50% of the total operating expenses of  
22 the program described in subsection (2), with the remaining 50%  
23 paid by local United Way organizations and other nonprofit  
24 organizations and foundations.

25 (2) Funds distributed under subsection (1) shall be  
26 distributed to Michigan 2-1-1, a nonprofit corporation organized



1 under the laws of this state that is exempt from federal income tax  
2 under section 501(c)(3) of the internal revenue code of 1986, 26  
3 USC 501(c)(3), and whose mission is to coordinate and support a  
4 statewide 2-1-1 system. Michigan 2-1-1 shall use the funds only to  
5 fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1  
6 in January 2005.

7 (3) Michigan 2-1-1 shall refer to the department any calls  
8 received reporting fraud, waste, or abuse of state-administered  
9 public assistance.

10 (4) Michigan 2-1-1 shall report annually to the department and  
11 the house and senate standing committees with primary jurisdiction  
12 over matters relating to human services and telecommunications on  
13 2-1-1 system performance, the senate and house appropriations  
14 subcommittees on the department budget, and the senate and house  
15 fiscal agencies, including, but not limited to, call volume by  
16 health and human service needs and unmet needs identified through  
17 caller data and customer satisfaction metrics.

18 Sec. 310. It is the intent of the legislature that the  
19 department shall work with youth-oriented nonprofit organizations  
20 to provide mentoring programming for children of incarcerated  
21 parents and other at-risk children.

22 Sec. 316. From the funds appropriated in part 1 for terminal  
23 leave payouts and other employee costs, the department shall not  
24 spend in excess of its annual gross appropriation unless it  
25 identifies and requests a legislative transfer from another  
26 budgetary line item supporting administrative costs, as provided by  
27 section 393(2) of the management and budget act, 1984 PA 431, MCL

1 18.1393.

2 **CHILD SUPPORT ENFORCEMENT**

3 Sec. 401. (1) The appropriations in part 1 assume a total  
4 federal child support incentive payment of \$26,500,000.00.

5 (2) From the federal money received for child support  
6 incentive payments, \$12,000,000.00 shall be retained by the state  
7 and expended for child support program expenses.

8 (3) From the federal money received for child support  
9 incentive payments, \$14,500,000.00 shall be paid to the counties  
10 based on each county's performance level for each of the federal  
11 performance measures as established in 45 CFR 305.2.

12 (4) If the child support incentive payment to the state from  
13 the federal government is greater than \$26,500,000.00, then 100% of  
14 the excess shall be retained by the state and is appropriated until  
15 the total retained by the state reaches \$15,397,400.00.

16 (5) If the child support incentive payment to the state from  
17 the federal government is greater than the amount needed to satisfy  
18 the provisions identified in subsections (1), (2), (3), and (4),  
19 the additional funds shall be subject to appropriation by the  
20 legislature.

21 (6) If the child support incentive payment to the state from  
22 the federal government is less than \$26,500,000.00, then the state  
23 and county share shall each be reduced by 50% of the shortfall.

24 Sec. 409. (1) If statewide retained child support collections  
25 exceed \$38,300,000.00, 75% of the amount in excess of  
26 \$38,300,000.00 is appropriated to legal support contracts. This

1 excess appropriation may be distributed to eligible counties to  
2 supplement and not supplant county title IV-D funding.

3 (2) Each county whose retained child support collections in  
4 the current fiscal year exceed its fiscal year 2004-2005 retained  
5 child support collections, excluding tax offset and financial  
6 institution data match collections in both the current year and  
7 fiscal year 2004-2005, shall receive its proportional share of the  
8 75% excess.

9 Sec. 410. (1) If title IV-D-related child support collections  
10 are escheated, the state budget director is authorized to adjust  
11 the sources of financing for the funds appropriated in part 1 for  
12 legal support contracts to reduce federal authorization by 66% of  
13 the escheated amount and increase general fund/general purpose  
14 authorization by the same amount. This budget adjustment is  
15 required to offset the loss of federal revenue due to the escheated  
16 amount being counted as title IV-D program income in accordance  
17 with federal regulations at 45 CFR 304.50.

18 (2) The department shall notify the chairs of the house and  
19 senate appropriations subcommittees on the department budget and  
20 the house and senate fiscal agencies within 15 days of the  
21 authorization adjustment in subsection (1).

## 22 **COMMUNITY SERVICES AND OUTREACH**

23 Sec. 450. (1) From the funds appropriated in part 1 for school  
24 success partnership program, the department shall allocate  
25 \$450,000.00 by December 1 of the current fiscal year to support the  
26 Northeast Michigan Community Service Agency programming, which will

1 take place in each county in the Governor's Prosperity Region 3.  
2 The department shall require the following performance objectives  
3 be measured and reported for the duration of the state funding for  
4 the school success partnership program:

5 (a) Increasing school attendance and decreasing chronic  
6 absenteeism.

7 (b) Increasing academic performance based on grades with  
8 emphasis on math and reading.

9 (c) Identifying barriers to attendance and success and  
10 connecting families with resources to reduce these barriers.

11 (d) Increasing parent involvement with the parent's child's  
12 school and community.

13 (2) The Northeast Michigan Community Service Agency shall  
14 provide reports to the department on January 31 and June 30 of the  
15 current fiscal year on the number of children and families served  
16 and the services that were provided to families to meet the  
17 performance objectives identified in this section. The department  
18 shall distribute the reports within 1 week after receipt to the  
19 senate and house appropriations subcommittees on the department  
20 budget, the senate and house fiscal agencies, the senate and house  
21 policy offices, and the state budget office.

22 Sec. 452. From the funds appropriated in part 1 for justice  
23 assistance grants, the department shall continue to support  
24 forensic nurse examiner programs to facilitate training for  
25 improved evidence collection for the prosecution of sexual assault.  
26 The funds shall be used for program coordination and training.

1 **CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

2           Sec. 501. (1) A goal is established that not more than 25% of  
3 all children in foster care at any given time during the current  
4 fiscal year will have been in foster care for 24 months or more.

5           (2) By March 1 of the current fiscal year, the department  
6 shall provide to the senate and house appropriations subcommittees  
7 on the department budget, the senate and house fiscal agencies, the  
8 senate and house policy offices, and the state budget office a  
9 report describing the steps that will be taken to achieve the  
10 specific goal established in this section and on the percentage of  
11 children who currently are in foster care and who have been in  
12 foster care a total of 24 or more months.

13           Sec. 502. From the funds appropriated in part 1 for foster  
14 care, the department shall provide 50% reimbursement to Indian  
15 tribal governments for foster care expenditures for children who  
16 are under the jurisdiction of Indian tribal courts and who are not  
17 otherwise eligible for federal foster care cost sharing.

18           Sec. 503. (1) In accordance with the final report of the  
19 Michigan child welfare performance-based funding task force issued  
20 in response to section 503 of article X of 2013 PA 59, the  
21 department shall continue to develop actuarially sound case rates  
22 for necessary out-of-home child welfare services that achieve  
23 permanency by the department and private child placing agencies in  
24 a prospective payment system under a performance-based funding  
25 model.

26           (2) The department shall continue to develop a prospective  
27 rate payment system for private agencies that includes funding for

1 adoption incentive payments. The full cost prospective rate payment  
2 system will identify and cover contractual costs paid through the  
3 case rate developed by an independent actuary.

4 (3) By March 1 of the current fiscal year, the department  
5 shall provide to the senate and house appropriations committees on  
6 the department budget, the senate and house fiscal agencies and  
7 policy offices, and the state budget office a report on the full  
8 cost analysis of the performance-based funding model. The report  
9 shall include background information on the project and give  
10 details about the contractual costs covered through the case rate.

11 (4) In accordance with the final report of the Michigan child  
12 welfare performance-based funding task force issued in response to  
13 section 503 of article X of 2013 PA 59, the department shall  
14 implement a 5-year independent, third-party evaluation of the  
15 performance-based funding model. The evaluator shall be selected  
16 through a competitive process by a rating committee that includes,  
17 but is not limited to, representatives from the department and  
18 private child placing agencies.

19 (5) The department shall only implement the performance-based  
20 funding model into additional counties where the department,  
21 private child welfare agencies, the county, and the court operating  
22 within that county have signed a memorandum of understanding that  
23 incorporates the intentions of the concerned parties in order to  
24 implement the performance-based funding model.

25 (6) The department, in conjunction with members from both the  
26 house of representatives and senate, private child placing  
27 agencies, the courts, and counties shall implement the

1 recommendations that are described in the workgroup report that was  
2 provided in section 503 of article X of 2013 PA 59 to establish a  
3 performance-based funding for public and private child welfare  
4 services providers. The department shall provide a quarterly report  
5 on the status of the performance-based contracting model to the  
6 senate and house appropriations subcommittees on the department  
7 budget, the senate and house standing committees on families and  
8 human services, and the senate and house fiscal agencies and policy  
9 offices.

10 (7) From the funds appropriated in part 1 for the performance-  
11 based funding model pilot, the department shall continue to work  
12 with the West Michigan Partnership for Children Consortium on the  
13 implementation of the performance-based funding model pilot. The  
14 consortium shall accept and comprehensively assess referred youth,  
15 assign cases to members of its continuum or leverage services from  
16 other entities, and make appropriate case management decisions  
17 during the duration of a case. The consortium shall operate an  
18 integrated continuum of care structure, with services provided by  
19 both private and public agencies, based on individual case needs.  
20 The consortium shall demonstrate significant organizational  
21 capacity and competencies, including experience with managing risk-  
22 based contracts, financial strength, experienced staff and  
23 leadership, and appropriate governance structure.

24 Sec. 504. (1) The department may establish a master agreement  
25 with the West Michigan Partnership for Children Consortium for a  
26 performance-based child welfare contracting pilot program. The  
27 consortium shall consist of a network of affiliated child welfare

1 service providers that will accept and comprehensively assess  
2 referred youth, assign cases to members of its continuum or  
3 leverage services from other entities, and make appropriate case  
4 management decisions during the duration of a case.

5 (2) The consortium shall operate an integrated continuum of  
6 care structure, with services provided by private or public  
7 agencies, based on individual case needs. The consortium shall  
8 demonstrate significant organizational capacity and competencies,  
9 including financial strength, experienced staff and leadership, and  
10 appropriate governance structure.

11 (3) By March 1 of the current fiscal year, the consortium  
12 shall provide to the department and the house and senate  
13 appropriations subcommittees on the department budget a report on  
14 the consortium, including, but not limited to, actual expenditures,  
15 number of children placed by agencies in the consortium, fund  
16 balance of the consortium, and the status of the consortium  
17 evaluation.

18 Sec. 505. By March 1 of the current fiscal year, the  
19 department and Wayne County shall provide to the senate and house  
20 appropriations subcommittees on the department budget, the senate  
21 and house fiscal agencies and policy offices, and the state budget  
22 office a report for youth served in the previous fiscal year and in  
23 the first quarter of the current fiscal year outlining the number  
24 of youth served within each juvenile justice system, the type of  
25 setting for each youth, performance outcomes, and financial costs  
26 or savings.

27 Sec. 507. The department's ability to satisfy appropriation



1 deducts in part 1 for foster care private collections shall not be  
2 limited to collections and accruals pertaining to services provided  
3 only in the current fiscal year but may include revenues collected  
4 during the current fiscal year for services provided in prior  
5 fiscal years.

6       Sec. 508. (1) In addition to the amount appropriated in part 1  
7 for children's trust fund grants, money granted or money received  
8 as gifts or donations to the children's trust fund created by 1982  
9 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

10       (2) The department and the child abuse and neglect prevention  
11 board shall collaborate to ensure that administrative delays are  
12 avoided and the local grant recipients and direct service providers  
13 receive money in an expeditious manner. The department and board  
14 shall make available the children's trust fund contract funds to  
15 grantees within 31 days of the start date of the funded project.

16       Sec. 511. The department shall provide semiannual reports to  
17 the senate and house appropriations subcommittees on the department  
18 budget, the senate and house standing committees on families and  
19 human services, and the senate and house fiscal agencies and policy  
20 offices on the number and percentage of children who received  
21 timely health examinations after entry into foster care and the  
22 number and percentage of children entering foster care who received  
23 a required mental health examination after entry into foster care.

24       Sec. 513. (1) The department shall not expend funds  
25 appropriated in part 1 to pay for the direct placement by the  
26 department of a child in an out-of-state facility unless all of the  
27 following conditions are met:

1 (a) There is no appropriate placement available in this state  
2 as determined by the department interstate compact office.

3 (b) An out-of-state placement exists that is nearer to the  
4 child's home than the closest appropriate in-state placement as  
5 determined by the department interstate compact office.

6 (c) The out-of-state facility meets all of the licensing  
7 standards of this state for a comparable facility.

8 (d) The out-of-state facility meets all of the applicable  
9 licensing standards of the state in which it is located.

10 (e) The department has done an on-site visit to the out-of-  
11 state facility, reviewed the facility records, reviewed licensing  
12 records and reports on the facility, and believes that the facility  
13 is an appropriate placement for the child.

14 (2) The department shall not expend money for a child placed  
15 in an out-of-state facility without approval of the deputy director  
16 for children's services.

17 (3) The department shall submit an annual report to the state  
18 court administrative office, the house and senate appropriations  
19 subcommittees on the department budget, the house and senate fiscal  
20 agencies, the house and senate policy offices, and the state budget  
21 office on the number of Michigan children residing in out-of-state  
22 facilities at the time of the report, the total cost and average  
23 per diem cost of these out-of-state placements to this state, and a  
24 list of each such placement arranged by the Michigan county of  
25 residence for each child.

26 (4) It is the intent of the legislature that the department  
27 shall work in conjunction with the courts and the state court

1 administrative office to identify data needed to calculate  
2 statewide recidivism rates for adjudicated youth placed in either  
3 residential secure or nonsecure facilities, defined at 6 months  
4 after a youth is released from placement.

5 (5) By March 1 of the current fiscal year, the department  
6 shall notify the legislature on the status of efforts to accomplish  
7 the intent of subsection (4).

8 Sec. 514. The department shall make a comprehensive report  
9 concerning children's protective services (CPS) to the legislature,  
10 including the senate and house policy offices and the state budget  
11 director, by March 1 of the current fiscal year, that shall include  
12 all of the following:

13 (a) Statistical information including, but not limited to, all  
14 of the following:

15 (i) The total number of reports of child abuse or child  
16 neglect investigated under the child protection law, 1975 PA 238,  
17 MCL 722.621 to 722.638, and the number of cases classified under  
18 category I or category II and the number of cases classified under  
19 category III, category IV, or category V.

20 (ii) Characteristics of perpetrators of child abuse or child  
21 neglect and the child victims, such as age, relationship, race, and  
22 ethnicity and whether the perpetrator exposed the child victim to  
23 drug activity, including the manufacture of illicit drugs, that  
24 exposed the child victim to substance abuse, a drug house, or  
25 methamphetamine.

26 (iii) The mandatory reporter category in which the individual  
27 who made the report fits, or other categorization if the individual

1 is not within a group required to report under the child protection  
2 law, 1975 PA 238, MCL 722.621 to 722.638.

3 (iv) The number of cases that resulted in the separation of  
4 the child from the parent or guardian and the period of time of  
5 that separation, up to and including termination of parental  
6 rights.

7 (v) For the reported complaints of child abuse or child  
8 neglect by teachers, school administrators, and school counselors,  
9 the number of cases classified under category I or category II and  
10 the number of cases classified under category III, category IV, or  
11 category V.

12 (vi) For the reported complaints of child abuse or child  
13 neglect by teachers, school administrators, and school counselors,  
14 the number of cases that resulted in separation of the child from  
15 the parent or guardian and the period of time of that separation,  
16 up to and including termination of parental rights.

17 (b) New policies related to children's protective services  
18 including, but not limited to, major policy changes and court  
19 decisions affecting the children's protective services system  
20 during the immediately preceding 12-month period.

21 (c) Statistical information regarding families that were  
22 classified in category III, including, but not limited to, all of  
23 the following:

24 (i) The total number of cases classified in category III.

25 (ii) The number of cases in category III referred to voluntary  
26 community services and closed with no additional monitoring.

27 (iii) The number of cases in category III referred to

1 voluntary community services and monitored for up to 90 days.

2 (iv) The number of cases in category III for which the  
3 department entered more than 1 determination that there was  
4 evidence of child abuse or child neglect.

5 (v) The number of cases in category III that the department  
6 reclassified from category III to category II.

7 (vi) The number of cases in category III that the department  
8 reclassified from category III to category I.

9 (vii) The number of cases in category III that the department  
10 reclassified from category III to category I that resulted in a  
11 removal.

12 (d) The department policy, or changes to the department  
13 policy, regarding children who have been exposed to the production  
14 or manufacture of methamphetamines.

15 Sec. 515. By March 1 of the current fiscal year, the  
16 department shall submit a report to the senate and house  
17 appropriations subcommittees on the department budget, the senate  
18 and house fiscal agencies, the senate and house policy offices, and  
19 the state budget office that provides an update on the  
20 privatization of child welfare services in Kent County as described  
21 in section 515 of article X of 2013 PA 59 and includes all of the  
22 following:

23 (a) Costs or savings that resulted from the program.

24 (b) Gaps in funding.

25 (c) Program successes.

26 (d) Challenges and barriers to a successful implementation.

27 Sec. 519. The department shall permit any private agency that

1 has an existing contract with this state to provide foster care  
2 services to be also eligible to provide treatment foster care  
3 services.

4 Sec. 522. (1) From the funds appropriated in part 1 for youth  
5 in transition, the department shall allocate \$750,000.00 for  
6 college scholarships through the fostering futures scholarship  
7 program in the Michigan education trust to youths who were in  
8 foster care because of child abuse or child neglect and are  
9 attending a college located in this state. Of the funds  
10 appropriated, 100% shall be used to fund scholarships for the  
11 youths described in this section.

12 (2) Not later than March 1 of the current fiscal year, the  
13 department shall provide a report to the senate and house  
14 appropriations subcommittees on the department budget, the senate  
15 and house fiscal agencies, the senate and house policy offices, and  
16 the state budget office that includes the number of youths who  
17 received scholarships and the amount of each scholarship, and the  
18 total amount of funds spent or encumbered in the current fiscal  
19 year.

20 Sec. 523. (1) By February 15 of the current fiscal year, the  
21 department shall report on the families first, family  
22 reunification, and families together building solutions family  
23 preservation programs to the senate and house appropriations  
24 subcommittees on the department budget, the senate and house fiscal  
25 agencies, the senate and house policy offices, and the state budget  
26 office. The report shall provide an estimate of total costs savings  
27 as a result of avoiding placement of children in foster care for

1 families who received family preservation services and shall  
2 include information for each program on any innovations that may  
3 increase savings or reductions in administrative costs.

4 (2) From the funds appropriated in part 1 for youth in  
5 transition and domestic violence prevention and treatment, the  
6 department is authorized to make allocations of TANF funds only to  
7 agencies that report necessary data to the department for the  
8 purpose of meeting TANF eligibility reporting requirements.

9 Sec. 524. As a condition of receiving funds appropriated in  
10 part 1 for strong families/safe children, counties must submit the  
11 service spending plan to the department by October 1 of the current  
12 fiscal year for approval. The department shall approve the service  
13 spending plan within 30 calendar days after receipt of a properly  
14 completed service spending plan.

15 Sec. 525. The department shall implement the same on-site  
16 evaluation processes for privately operated child welfare and  
17 juvenile justice residential facilities as is used to evaluate  
18 state-operated facilities. Penalties for noncompliance shall be the  
19 same for privately operated child welfare and juvenile justice  
20 residential facilities and state-operated facilities.

21 Sec. 526. From the funds appropriated in part 1 for foster  
22 care payments and related administrative costs, the department may  
23 implement the federally approved title IV-E child welfare waiver  
24 demonstration project. As required under the waiver, any savings  
25 resulting from the demonstration project must be quantified and  
26 reinvested into child welfare programming.

27 Sec. 532. (1) The department, in collaboration with

1 representatives of private child and family agencies, shall revise  
2 and improve the annual licensing review process and the annual  
3 contract compliance review process for child placing agencies and  
4 child caring institutions. The improvement goals shall be safety  
5 and care for children. Improvements to the review process shall be  
6 directed toward alleviating administrative burdens so that agency  
7 resources may be focused on children. The revision shall include  
8 identification of duplicative staff activities and information  
9 sought from child placing agencies and child caring institutions in  
10 the annual review process. The department shall report to the  
11 senate and house appropriations subcommittees on the department  
12 budget, the senate and house fiscal agencies and policy offices,  
13 and the state budget director on or before January 15 of the  
14 current fiscal year on the findings of the annual licensing review.

15 (2) The department shall conduct licensing reviews no more  
16 than once every 4 years for child placing agencies and child caring  
17 institutions that are nationally accredited and have no outstanding  
18 violations.

19 Sec. 533. (1) The department shall make payments to child  
20 placing facilities for in-home and out-of-home care services and  
21 adoption services within 30 days of receiving all necessary  
22 documentation from those agencies. It is the intent of the  
23 legislature that the burden of ensuring that these payments are  
24 made in a timely manner and no payments are in arrears is upon the  
25 department.

26 (2) No later than March 1 of the current fiscal year, the  
27 department shall submit a report to the senate and house



1 appropriations subcommittees on the department budget, the senate  
2 and house fiscal agencies, the senate and house policy offices, and  
3 the state budget office that details each private child placing  
4 agency and the percentage of payments that were in excess of 30  
5 days during the entire prior fiscal year and the first quarter of  
6 the current fiscal year.

7       Sec. 534. (1) The department shall report to the senate and  
8 house appropriations subcommittees on the department budget, the  
9 senate and house fiscal agencies, the senate and house policy  
10 offices, and the state budget office by November 1 of the current  
11 fiscal year an implementation plan regarding the appropriation in  
12 part 1 to implement the MiSACWIS. The plan shall include, but not  
13 be limited to, efforts to bring the system in compliance with the  
14 settlement and other federal guidelines set forth by the United  
15 States Department of Health and Human Services Administration for  
16 Children and Families.

17       (2) The department shall report to the senate and house  
18 appropriations subcommittees on the department budget, the senate  
19 and house fiscal agencies, the senate and house policy offices, and  
20 the state budget office by November 1 of the current fiscal year a  
21 status report on the planning, implementation, and operation,  
22 regardless of the current operational status, regarding the  
23 appropriation in part 1 to implement the MiSACWIS. The report shall  
24 provide details on the planning, implementation, and operation of  
25 the system, including, but not limited to, all of the following:

26       (a) Areas where implementation went as planned.

27       (b) The number of known issues.

1 (c) The average number of help tickets submitted per day.

2 (d) Any additional overtime or other staffing costs to address  
3 known issues and volume of help tickets.

4 (e) Any contract revisions to address known issues and volume  
5 of help tickets.

6 (f) Other strategies undertaken to improve implementation.

7 (g) Progress developing cross-system trusted data exchange  
8 with MiSACWIS

9 (h) Progress in moving away from a statewide/tribal automated  
10 child welfare information system (SACWIS/TACWIS) to a comprehensive  
11 child welfare information system (CCWIS).

12 (i) Progress developing and implementing a program to monitor  
13 data quality.

14 (j) Progress developing and implementing custom integrated  
15 systems for private agencies and tribal governments.

16 Sec. 537. (1) The department, in collaboration with child  
17 placing agencies, shall develop a strategy to implement section  
18 1150 of the social welfare act, 1939 PA 280, MCL 400.1150. The  
19 strategy shall include a requirement that a department caseworker  
20 responsible for preparing a recommendation to a court concerning a  
21 juvenile placement shall provide, as part of the recommendation,  
22 information regarding the requirements of section 1150 of the  
23 social welfare act, 1939 PA 280, MCL 400.1150.

24 (2) By March 1 of the current fiscal year, the department  
25 shall provide to the senate and house appropriations subcommittees  
26 on the department budget, the senate and house fiscal agencies, the  
27 senate and house policy offices, and the state budget office a

1 report on the strategy described in subsection (1).

2       Sec. 540. If a physician or psychiatrist who is providing  
3 services to state or court wards placed in a residential facility  
4 submits a formal request to the department to change the  
5 psychotropic medication of a ward, the department shall, if the  
6 ward is a state ward, make a determination on the proposed change  
7 within 7 business days after the request or, if the ward is a  
8 temporary court ward, seek parental consent within 7 business days  
9 after the request. If parental consent is not provided within 7  
10 business days, the department shall petition the court on the  
11 eighth business day.

12       Sec. 546. (1) From the funds appropriated in part 1 for foster  
13 care payments and from child care fund, the department shall pay  
14 providers of foster care services not less than a \$37.00  
15 administrative rate.

16       (2) From the funds appropriated in part 1 for foster care  
17 payments and from child care fund, the department shall pay  
18 providers of general independent living services not less than a  
19 \$28.00 administrative rate.

20       (3) From the funds appropriated in part 1, the department  
21 shall pay providers of independent living plus services statewide  
22 per diem rates for staff-supported housing and host-home housing  
23 based on proposals submitted in response to a solicitation for  
24 pricing. The independent living plus program provides staff-  
25 supported housing and services for foster youth ages 16 through 19  
26 who, because of their individual needs and assessments, are not  
27 initially appropriate for general independent living foster care.

1           (4) From the funds appropriated in part 1, the department  
2 shall pay providers of foster care services an additional \$8.00  
3 administrative rate, if section 117a of the social welfare act,  
4 1939 PA 280, MCL 400.117a, is amended to eliminate the county match  
5 rate for the additional administrative rate provided in this  
6 subsection. Payments under this subsection shall be made, not less  
7 than, on a monthly basis.

8           (5) If required by the federal government to meet title IV-E  
9 requirements, providers of foster care services shall submit  
10 quarterly expenditure reports to the department to identify actual  
11 costs of providing foster care services.

12           (6) From the funds appropriated in part 1, the department  
13 shall provide an increase to each private provider of residential  
14 services, if section 117a of the social welfare act, 1939 PA 280,  
15 MCL 400.117a, is amended to eliminate the county match rate for the  
16 additional rate provided in this section.

17           Sec. 547. From the funds appropriated in part 1 for the  
18 guardianship assistance program, the department shall pay a minimum  
19 rate that is not less than the approved age-appropriate payment  
20 rates for youth placed in family foster care.

21           Sec. 556. No later than December 1 for the current fiscal  
22 year, the department shall provide an annual report to the  
23 subcommittees of the senate and house appropriations committees on  
24 the department budget, the house and senate fiscal agencies and  
25 policy offices, and the state budget director that includes the  
26 following:

27           (a) The number of complaints filed by adoptive parents who

1 were not notified that their adopted child had special needs.

2 (b) The number of cases that received redetermined adoption  
3 assistance as defined in section 115f of the social welfare act,  
4 1939 PA 280, MCL 400.115f, the total expenditures on the program,  
5 and the number of cases in each determination of care level of  
6 payment.

7 Sec. 558. (1) The department shall explore ways to maximize  
8 use of training programs or courses provided through the child  
9 welfare training institute accessible online and in service areas  
10 throughout the state, provided the delivery is an appropriate  
11 option for achieving specific learning objectives. These training  
12 programs and courses shall be made available to employees of  
13 private child placing agencies and child caring institutions.

14 (2) The department shall conduct a workgroup consisting of  
15 members from the department, private child placing agencies, and  
16 child caring institutions, with the goal of reducing the current 4  
17 weeks of centralized child welfare institute training class time.  
18 It is the intent of the legislature that the number of days of in-  
19 person pre-service child welfare training be reduced by 50%. Not  
20 later than November 1 of the current fiscal year, the department  
21 shall provide a report to the senate and house appropriations  
22 subcommittees on the department budget, the senate and house fiscal  
23 agencies, the senate and house policy offices, and the state budget  
24 office on the findings of the workgroup, including the timeline,  
25 feasibility, and cost for the implementation plan required to  
26 implement the child welfare training institute redesign.

27 (3) The department shall submit to the senate and house

1 appropriations subcommittees on the department budget, the senate  
2 and house fiscal agencies, the senate and house policy offices, and  
3 the state budget office by March 1 of the current fiscal year a  
4 report on the training programs or courses provided through the  
5 child welfare training institute described in subsection (1), and  
6 the annual cost for each program or course. The report shall  
7 include the following data:

8 (a) The number of training programs or courses that were  
9 provided for private agencies.

10 (b) The number of employees from private agencies who attended  
11 any training.

12 (c) The number of training programs or courses that were  
13 provided through an online forum.

14 (d) The number of training programs or courses that were  
15 provided in local service areas.

16 (e) For courses that are in-person or not accessible online,  
17 attendance figures for each course.

18 Sec. 559. (1) From the funds appropriated in part 1 for  
19 adoption support services, the department shall allocate  
20 \$250,000.00 to the Adoptive Family Support Network by December 1 of  
21 the current fiscal year to operate and expand its adoptive parent  
22 mentor program to provide a listening ear, knowledgeable guidance,  
23 and community connections to adoptive parents and children who were  
24 adopted in this state or another state.

25 (2) The Adoptive Family Support Network shall submit to the  
26 senate and house appropriations subcommittees on the department  
27 budget, the senate and house fiscal agencies, the senate and house

1 policy offices, and the state budget office by March 1 of the  
2 current fiscal year a report on the program described in subsection  
3 (1), including, but not limited to, the number of cases served and  
4 the number of cases in which the program prevented an out-of-home  
5 placement.

6       Sec. 562. The department shall provide time and travel  
7 reimbursements for foster parents who transport a foster child to  
8 parent-child visitations. As part of the foster care parent  
9 contract, the department shall provide written confirmation to  
10 foster parents that states that the foster parents have the right  
11 to request these reimbursements for all parent-child visitations.  
12 The department shall provide these reimbursements within 60 days of  
13 receiving a request for eligible reimbursements from a foster  
14 parent.

15       Sec. 564. (1) The department shall develop a clear policy for  
16 parent-child visitations. The local county offices, caseworkers,  
17 and supervisors shall meet a 50% success rate, after accounting for  
18 factors outside of the caseworker's control.

19       (2) Per the court-ordered number of required meetings between  
20 caseworkers and parent, the caseworkers shall achieve a success  
21 rate of 65%, after accounting for factors outside of the  
22 caseworker's control.

23       (3) By March 1 of the current fiscal year, the department  
24 shall provide to the senate and house appropriations subcommittees  
25 on the department budget, the senate and house fiscal agencies, the  
26 senate and house policy offices, and the state budget office a  
27 report on the following:

1 (a) The percentage of success rate for parent-child  
2 visitations and court-ordered required meetings between caseworkers  
3 referenced in subsections (1) and (2) for the previous year.

4 (b) The barriers to achieve the success rates in subsections  
5 (1) and (2) and how this information is tracked.

6 Sec. 567. (1) The caseworker or supervisor who is assigned to  
7 a foster care case is responsible for completing a medical passport  
8 for the cases assigned to him or her. If a child in foster care is  
9 transferred to a new placement or returned to his or her parent's  
10 or guardian's home, the medical passport and any school records in  
11 the caseworkers' or supervisors' possession must be transferred  
12 within 2 weeks from the date of placement or return to the home.

13 (2) The department shall submit to the senate and house  
14 appropriations subcommittees on the department budget, the senate  
15 and house fiscal agencies, the senate and house policy offices, and  
16 the state budget office by March 1 of the current fiscal year a  
17 report on the items described in subsection (1), including the  
18 following:

19 (a) The percentage of medical passports that were properly  
20 filled out.

21 (b) From the total medical passports transferred, the  
22 percentage that transferred within 2 weeks from the date of  
23 placement or return to the home.

24 (c) From the total school records, the percentage that  
25 transferred within 2 weeks from the date of placement or return to  
26 the home.

27 (d) The implementation steps that have been taken to improve



1 the outcomes for the measures in subdivisions (a) and (b).

2       Sec. 568. (1) From the funds appropriated in part 1 for  
3 adoption subsidies, the department shall pay a minimum adoption  
4 subsidy rate that is not less than 95% of the rate that was or  
5 would have been provided for the adoptee in family foster care at  
6 the time of the adoption. This rate includes the determination of  
7 care rate that was paid or would have been paid to the adoptive  
8 parent for the adoptee in a family foster care placement, and this  
9 amount shall be increased to reflect any increase in the standard  
10 age appropriate foster care rate.

11       (2) "Determination of care rate" as described in this section  
12 means a supplemental payment to the standard age appropriate foster  
13 care rate that may be justified when extraordinary care or expense  
14 is required. The supplemental payment is based on 1 or more of the  
15 following case situations where additional care is required of the  
16 foster care provider or adoptive parent or an additional expense  
17 exists:

18       (a) Physically disabled children for whom the adoptive parent  
19 must provide measurably greater supervision and care.

20       (b) Children with special psychological or psychiatric needs  
21 that require extra time and measurably greater amounts of care and  
22 attention by the adoptive parent.

23       (c) Children requiring special diets that are more expensive  
24 than a normal diet and that require extra time and effort by the  
25 adoptive parent to obtain or prepare.

26       (d) Children whose severe acting-out or antisocial behavior  
27 requires a measurably greater amount of care and attention of the

1 adoptive parent.

2 (3) The department shall, on a separate form, allow an  
3 adoptive parent to sign a certification that he or she rejects a  
4 support subsidy.

5 (4) If this section conflicts with state statute enacted  
6 subsequent to this act, the state statute controls.

7 Sec. 569. The department shall reimburse private child placing  
8 agencies that complete adoptions at the rate according to the date  
9 on which the petition for adoption and required support  
10 documentation was accepted by the court and not according to the  
11 date the court's order placing for adoption was entered.

12 Sec. 574. (1) From the funds appropriated in part 1 for foster  
13 care payments, \$2,500,000.00 is allocated to support performance-  
14 based contracts with child placing agencies to facilitate the  
15 licensure of relative caregivers as foster parents. Agencies shall  
16 receive \$2,300.00 for each facilitated licensure if completed  
17 within 180 days after a child's placement or, if a waiver was  
18 previously approved, 180 days from the application date. If the  
19 facilitated licensure, or approved waiver, is completed after 180  
20 days, the agency shall receive up to \$2,300.00. The agency  
21 facilitating the licensure would retain the placement and continue  
22 to provide case management services for at least 50% of the newly  
23 licensed cases for which the placement was appropriate to the  
24 agency. Up to 50% of the newly licensed cases would have direct  
25 foster care services provided by the department.

26 (2) From the funds appropriated for foster care payments,  
27 \$375,000.00 is allocated to support family incentive grants to

1 private and community-based foster care service providers to assist  
2 with home improvements or payment for physical exams for applicants  
3 needed by foster families to accommodate foster children.

4 Sec. 583. By February 1 of the current fiscal year, the  
5 department shall provide to the senate and house appropriations  
6 subcommittees on the department budget, the senate and house  
7 standing committees on families and human services, the senate and  
8 house fiscal agencies and policy offices, and the state budget  
9 office a report that includes:

10 (a) The number and percentage of foster parents that dropped  
11 out of the program in the previous fiscal year and the reasons the  
12 foster parents left the program and how those figures compare to  
13 prior fiscal years.

14 (b) The number and percentage of foster parents successfully  
15 retained in the previous fiscal year and how those figures compare  
16 to prior fiscal years.

17 Sec. 585. The department shall make available at least 1 pre-  
18 service training class each month in which new caseworkers for  
19 private foster care and adoption agencies can enroll.

20 Sec. 588. (1) Concurrently with public release, the department  
21 shall transmit all reports from the court-appointed settlement  
22 monitor, including, but not limited to, the needs assessment and  
23 period outcome reporting, to the state budget office, the senate  
24 and house appropriations subcommittees on the department budget,  
25 and the senate and house fiscal agencies and policy offices,  
26 without revision.

27 (2) The department shall report quarterly to the state budget

1 office, the senate and house appropriations subcommittees on the  
2 department budget, the senate and house fiscal agencies, and the  
3 senate and house policy offices on the number of children enrolled  
4 in the guardianship assistance and foster care - children with  
5 serious emotional disturbance waiver programs.

6 Sec. 589. (1) From the funds appropriated in part 1 for child  
7 care fund, the department shall pay 100% of the administrative rate  
8 for all new cases referred to providers of foster care services.

9 (2) On a monthly basis, the department shall report on the  
10 number of all foster care cases administered by the department and  
11 all foster care cases administered by private providers.

12 Sec. 593. The department may allow residential service  
13 providers for child abuse and child neglect cases to implement a  
14 staff ratio during working hours of 1 staff to 5 children.

#### 15 **PUBLIC ASSISTANCE**

16 Sec. 601. Whenever a client agrees to the release of his or  
17 her name and address to the local housing authority, the department  
18 shall request from the local housing authority information  
19 regarding whether the housing unit for which vrending has been  
20 requested meets applicable local housing codes. Vrending shall be  
21 terminated for those units that the local authority indicates in  
22 writing do not meet local housing codes until such time as the  
23 local authority indicates in writing that local housing codes have  
24 been met.

25 Sec. 602. The department shall establish a policy to conduct a  
26 full evaluation of an individual's assistance needs if the

1 individual has applied for disability more than 1 time within a 1-  
2 year period.

3       Sec. 603. By March 1 of the current fiscal year, the  
4 department shall provide to the senate and house appropriations  
5 subcommittees on the department budget, the senate and house fiscal  
6 agencies, the senate and house policy offices, and the state budget  
7 office a report on the steps taken to implement the action plan  
8 developed by the Medicaid claim workgroup established in section  
9 603 of article X of 2014 PA 252, including the steps taken to  
10 implement the action plan developed by the workgroup, and the  
11 department's ongoing efforts to maximize Medicaid claims for foster  
12 children and adjudicated youths.

13       Sec. 604. (1) The department shall operate a state disability  
14 assistance program. Except as provided in subsection (3), persons  
15 eligible for this program shall include needy citizens of the  
16 United States or aliens exempted from the supplemental security  
17 income citizenship requirement who are at least 18 years of age or  
18 emancipated minors meeting 1 or more of the following requirements:

19       (a) A recipient of supplemental security income, social  
20 security, or medical assistance due to disability or 65 years of  
21 age or older.

22       (b) A person with a physical or mental impairment that meets  
23 federal supplemental security income disability standards, except  
24 that the minimum duration of the disability shall be 90 days.  
25 Substance use disorder alone is not defined as a basis for  
26 eligibility.

27       (c) A resident of an adult foster care facility, a home for

1 the aged, a county infirmary, or a substance use disorder treatment  
2 center.

3 (d) A person receiving 30-day postresidential substance use  
4 disorder treatment.

5 (e) A person diagnosed as having acquired immunodeficiency  
6 syndrome.

7 (f) A person receiving special education services through the  
8 local intermediate school district.

9 (g) A caretaker of a disabled person who meets the  
10 requirements specified in subdivision (a), (b), (e), or (f).

11 (2) Applicants for and recipients of the state disability  
12 assistance program shall be considered needy if they:

13 (a) Meet the same asset test as is applied for the family  
14 independence program.

15 (b) Have a monthly budgetable income that is less than the  
16 payment standards.

17 (3) Except for a person described in subsection (1)(c) or (d),  
18 a person is not disabled for purposes of this section if his or her  
19 drug addiction or alcoholism is a contributing factor material to  
20 the determination of disability. "Material to the determination of  
21 disability" means that, if the person stopped using drugs or  
22 alcohol, his or her remaining physical or mental limitations would  
23 not be disabling. If his or her remaining physical or mental  
24 limitations would be disabling, then the drug addiction or  
25 alcoholism is not material to the determination of disability and  
26 the person may receive state disability assistance. Such a person  
27 must actively participate in a substance abuse treatment program,

1 and the assistance must be paid to a third party or through vendor  
2 payments. For purposes of this section, substance abuse treatment  
3 includes receipt of inpatient or outpatient services or  
4 participation in alcoholics anonymous or a similar program.

5       Sec. 605. The level of reimbursement provided to state  
6 disability assistance recipients in licensed adult foster care  
7 facilities shall be the same as the prevailing supplemental  
8 security income rate under the personal care category.

9       Sec. 606. County department offices shall require each  
10 recipient of family independence program and state disability  
11 assistance who has applied with the social security administration  
12 for supplemental security income to sign a contract to repay any  
13 assistance rendered through the family independence program or  
14 state disability assistance program upon receipt of retroactive  
15 supplemental security income benefits.

16       Sec. 607. (1) The department's ability to satisfy  
17 appropriation deductions in part 1 for state disability  
18 assistance/supplemental security income recoveries and public  
19 assistance recoupment revenues shall not be limited to recoveries  
20 and accruals pertaining to state disability assistance, or family  
21 independence assistance grant payments provided only in the current  
22 fiscal year, but may include revenues collected during the current  
23 year that are prior year related and not a part of the department's  
24 accrued entries.

25       (2) The department may use supplemental security income  
26 recoveries to satisfy the deduct in any line in which the revenues  
27 are appropriated, regardless of the source from which the revenue

1 is recovered.

2       Sec. 608. Adult foster care facilities providing domiciliary  
3 care or personal care to residents receiving supplemental security  
4 income or homes for the aged serving residents receiving  
5 supplemental security income shall not require those residents to  
6 reimburse the home or facility for care at rates in excess of those  
7 legislatively authorized. To the extent permitted by federal law,  
8 adult foster care facilities and homes for the aged serving  
9 residents receiving supplemental security income shall not be  
10 prohibited from accepting third-party payments in addition to  
11 supplemental security income if the payments are not for food,  
12 clothing, shelter, or result in a reduction in the recipient's  
13 supplemental security income payment.

14       Sec. 609. The state supplementation level under the  
15 supplemental security income program for the personal care/adult  
16 foster care and home for the aged categories shall not be reduced  
17 during the current fiscal year. The legislature shall be notified  
18 not less than 30 days before any proposed reduction in the state  
19 supplementation level.

20       Sec. 610. (1) In developing good cause criteria for the state  
21 emergency relief program, the department shall grant exemptions if  
22 the emergency resulted from unexpected expenses related to  
23 maintaining or securing employment.

24       (2) For purposes of determining housing affordability  
25 eligibility for state emergency relief, a group is considered to  
26 have sufficient income to meet ongoing housing expenses if their  
27 total housing obligation does not exceed 75% of their total net



1 income.

2 (3) State emergency relief payments shall not be made to  
3 individuals who have been found guilty of fraud in regard to  
4 obtaining public assistance.

5 (4) State emergency relief payments shall not be made  
6 available to persons who are out-of-state residents or illegal  
7 immigrants.

8 (5) State emergency relief payments for rent assistance shall  
9 be distributed directly to landlords and shall not be added to  
10 Michigan bridge cards.

11 Sec. 611. The state supplementation level under the  
12 supplemental security income program for the living independently  
13 or living in the household of another categories shall not exceed  
14 the minimum state supplementation level as required under federal  
15 law or regulations.

16 Sec. 613. (1) The department shall provide reimbursements for  
17 the final disposition of indigent persons. The reimbursements shall  
18 include the following:

19 (a) The maximum allowable reimbursement for the final  
20 disposition is \$800.00.

21 (b) The adult burial with services allowance is \$725.00.

22 (c) The adult burial without services allowance is \$490.00.

23 (d) The infant burial allowance is \$170.00.

24 (2) It is the intent of the legislature that this charge limit  
25 reflect a total increase of \$5.00 per case in payments to funeral  
26 directors for funeral goods and services over the payment rate in  
27 place for the previous fiscal year. In addition, reimbursement for

1 a cremation permit fee of up to \$75.00 and for mileage at the  
2 standard rate will also be made available for an eligible  
3 cremation. The reimbursements under this section shall take into  
4 consideration religious preferences that prohibit cremation.

5       Sec. 614. The department shall report to the senate and house  
6 of representatives appropriations subcommittees on the department  
7 budget, the senate and house fiscal agencies, and the senate and  
8 house policy offices by January 15 of the current fiscal year on  
9 the number and percentage of state disability assistance recipients  
10 who were determined to be eligible for federal supplemental  
11 security income benefits in the previous fiscal year.

12       Sec. 615. Except as required by federal law or regulations,  
13 funds appropriated in part 1 shall not be used to provide public  
14 assistance to a person who is an illegal alien. This section shall  
15 not prohibit the department from entering into contracts with food  
16 banks, emergency shelter providers, or other human services  
17 agencies who may, as a normal part of doing business, provide food  
18 or emergency shelter.

19       Sec. 616. The department shall require retailers that  
20 participate in the electronic benefits transfer program to charge  
21 no more than \$2.50 in fees for cash back as a condition of  
22 participation.

23       Sec. 617. The department shall prepare a report on the number  
24 and percentage of public assistance recipients, categorized by type  
25 of assistance received, who were no longer eligible for assistance  
26 because of their status in the law enforcement information network  
27 and provide the report by January 15 of the current fiscal year to

1 the senate and house appropriations subcommittees on the department  
2 budget, the senate and house standing committees on families and  
3 human services, and the senate and house fiscal agencies and policy  
4 offices.

5       Sec. 619. (1) Subject to subsection (2), the department shall  
6 exempt from the denial of title IV-A assistance and food assistance  
7 benefits under 21 USC 862a any individual who has been convicted of  
8 a felony that included the possession, use, or distribution of a  
9 controlled substance, after August 22, 1996, if the individual is  
10 not in violation of his or her probation or parole requirements.  
11 Benefits shall be provided to such individuals as follows:

12       (a) A third-party payee or vendor shall be required for any  
13 cash benefits provided.

14       (b) An authorized representative shall be required for food  
15 assistance receipt.

16       (2) Subject to federal approval, an individual is not entitled  
17 to the exemption in this section if the individual was convicted in  
18 2 or more separate cases of a felony that included the possession,  
19 use, or distribution of a controlled substance after August 22,  
20 1996.

21       Sec. 620. (1) The department shall make a determination of  
22 Medicaid eligibility not later than 90 days if disability is an  
23 eligibility factor. For all other Medicaid applicants, including  
24 patients of a nursing home, the department shall make a  
25 determination of Medicaid eligibility within 45 days of  
26 application.

27       (2) The department shall report on a quarterly basis to the

1 senate and house appropriations subcommittees on the department  
2 budget, the senate and house standing committees on families and  
3 human services, the senate and house fiscal agencies, the senate  
4 and house policy offices, and the state budget office on the  
5 average Medicaid eligibility standard of promptness for each of the  
6 required standards of promptness under subsection (1) and for  
7 medical review team reviews achieved statewide and at each local  
8 office.

9       Sec. 625. From the funds appropriated in part 1 for SSI  
10 advocacy legal services, the department shall allocate \$500,000.00  
11 to contract with the Legal Services Association of Michigan to  
12 provide assistance to individuals who have applied for or wish to  
13 apply for SSI or other federal disability benefits. The Legal  
14 Services Association of Michigan shall provide a list of new  
15 recipients accepted to the department to verify that services have  
16 been provided to department recipients. The Legal Services  
17 Association of Michigan and the department shall work together to  
18 develop release forms to share information in appropriate cases.  
19 The Legal Services Association of Michigan shall provide quarterly  
20 reports indicating cases opened, cases closed, level of services  
21 provided on closed cases, and case outcomes on closed cases.

22       Sec. 630. From the funds appropriated in part 1 for family  
23 independence program, the department shall conduct a suspicion-  
24 based drug testing pilot program for the family independence  
25 program according to sections 57y and 57z of the social welfare  
26 act, 1939 PA 280, MCL 400.57y and 400.57z.

27       Sec. 642. The department shall allocate the full amount of

1 funds appropriated in part 1 for homeless programs to provide  
2 services for homeless individuals and families, including, but not  
3 limited to, third-party contracts for emergency shelter services.

4       Sec. 643. As a condition of receipt of federal TANF funds,  
5 homeless shelters and human services agencies shall collaborate  
6 with the department to obtain necessary TANF eligibility  
7 information on families as soon as possible after admitting a  
8 family to the homeless shelter. From the funds appropriated in part  
9 1 for homeless programs, the department is authorized to make  
10 allocations of TANF funds only to the agencies that report  
11 necessary data to the department for the purpose of meeting TANF  
12 eligibility reporting requirements. Homeless shelters or human  
13 services agencies that do not report necessary data to the  
14 department for the purpose of meeting TANF eligibility reporting  
15 requirements will not receive reimbursements that exceed the per  
16 diem amount they received in fiscal year 2000. The use of TANF  
17 funds under this section should not be considered an ongoing  
18 commitment of funding.

19       Sec. 645. An individual or family is considered homeless, for  
20 purposes of eligibility for state emergency relief, if living  
21 temporarily with others in order to escape domestic violence. For  
22 purposes of this section, domestic violence is defined and verified  
23 in the same manner as in the department's policies on good cause  
24 for not cooperating with child support and paternity requirements.

25       Sec. 653. From the funds appropriated in part 1 for food  
26 assistance, an individual who is the victim of domestic violence  
27 and does not qualify for any other exemption may be exempt from the

1 3-month in 36-month limit on receiving food assistance under 7 USC  
2 2015. This exemption can be extended an additional 3 months upon  
3 demonstration of continuing need.

4 Sec. 654. The department shall notify recipients of food  
5 assistance program benefits that their benefits can be spent with  
6 their bridge cards at many farmers' markets in the state. The  
7 department shall also notify recipients about the Double Up Food  
8 Bucks program that is administered by the Fair Food Network.  
9 Recipients shall receive information about the Double Up Food Bucks  
10 program, including information that when the recipient spends  
11 \$20.00 at participating farmers' markets through the program, the  
12 recipient can receive an additional \$20.00 to buy Michigan produce.

13 Sec. 655. Within 14 days after the spending plan for low-  
14 income home energy assistance program is approved by the state  
15 budget office, the department shall provide the spending plan,  
16 including itemized projected expenditures, to the chairpersons of  
17 the senate and house appropriations subcommittees on the department  
18 budget, the senate and house fiscal agencies, the senate and house  
19 policy offices, and the state budget office.

20 Sec. 660. From the funds appropriated in part 1 for Food Bank  
21 Council of Michigan, the department is authorized to make  
22 allocations of TANF funds only to the agencies that report  
23 necessary data to the department for the purpose of meeting TANF  
24 eligibility reporting requirements. The agencies that do not report  
25 necessary data to the department for the purpose of meeting TANF  
26 eligibility reporting requirements will not receive allocations in  
27 excess of those received in fiscal year 2000. The use of TANF funds

1 under this section should not be considered an ongoing commitment  
2 of funding.

3       Sec. 669. The department shall allocate \$6,270,000.00 for the  
4 annual clothing allowance. The allowance shall be granted to all  
5 eligible children in a family independence program group.

6       Sec. 672. (1) The department's office of inspector general  
7 shall report to the senate and house of representatives  
8 appropriations subcommittees on the department budget, the senate  
9 and house fiscal agencies, and the senate and house policy offices  
10 by February 15 of the current fiscal year on department efforts to  
11 reduce inappropriate use of Michigan bridge cards. The department  
12 shall provide information on the number of recipients of services  
13 who used their electronic benefit transfer card inappropriately and  
14 the current status of each case, the number of recipients whose  
15 benefits were revoked, whether permanently or temporarily, as a  
16 result of inappropriate use, and the number of retailers that were  
17 fined or removed from the electronic benefit transfer program for  
18 permitting inappropriate use of the cards.

19       (2) As used in this section, "inappropriate use" means not  
20 used to meet a family's ongoing basic needs, including food,  
21 clothing, shelter, utilities, household goods, personal care items,  
22 and general incidentals.

23       Sec. 677. (1) The department shall establish a state goal for  
24 the percentage of family independence program cases involved in  
25 employment activities. The percentage established shall not be less  
26 than 50%. The goal for long-term employment shall be 15% of cases  
27 for 6 months or more.

1           (2) On a quarterly basis, the department shall report to the  
2 senate and house appropriations subcommittees on the department  
3 budget, the senate and house fiscal agencies and policy offices,  
4 and the state budget director on the number of cases referred to  
5 Partnership. Accountability. Training. Hope. (PATH), the current  
6 percentage of family independence program cases involved in PATH  
7 employment activities, an estimate of the current percentage of  
8 family independence program cases that meet federal work  
9 participation requirements on the whole, and an estimate of the  
10 current percentage of the family independence program cases that  
11 meet federal work participation requirements for those cases  
12 referred to PATH.

13           (3) The department shall submit to the senate and house  
14 appropriations subcommittees on the department budget, the senate  
15 and house fiscal agencies, the senate and house policy offices, and  
16 the state budget office a quarterly report that includes all of the  
17 following:

18           (a) The number and percentage of nonexempt family independence  
19 program recipients who are employed.

20           (b) The average and range of wages of employed family  
21 independence program recipients.

22           (c) The number and percentage of employed family independence  
23 program recipients who remain employed for 6 months or more.

24           Sec. 686. (1) The department shall ensure that program policy  
25 requires caseworkers to confirm that individuals presenting  
26 personal identification issued by another state seeking assistance  
27 through the family independence program, food assistance program,



1 state disability assistance program, or medical assistance program  
2 are not receiving benefits from any other state.

3 (2) The department shall require caseworkers to confirm the  
4 address provided by any individual seeking family independence  
5 program benefits or state disability assistance benefits.

6 (3) The department shall prohibit individuals with property  
7 assets assessed at a value higher than \$200,000.00 from accessing  
8 assistance through department-administered programs, unless such a  
9 prohibition would violate federal rules and guidelines.

10 (4) The department shall require caseworkers to obtain an up-  
11 to-date telephone number during the eligibility determination or  
12 redetermination process for individuals seeking medical assistance  
13 benefits.

14 Sec. 687. (1) The department shall, on a quarterly basis by  
15 February 1, May 1, August 1, and November 1, compile and make  
16 available on its website all of the following information about the  
17 family independence program, state disability assistance, the food  
18 assistance program, Medicaid, and state emergency relief:

19 (a) The number of applications received.

20 (b) The number of applications approved.

21 (c) The number of applications denied.

22 (d) The number of applications pending and neither approved  
23 nor denied.

24 (e) The number of cases opened.

25 (f) The number of cases closed.

26 (g) The number of cases at the beginning of the quarter and  
27 the number of cases at the end of the quarter.

1           (2) The information provided under subsection (1) shall be  
2 compiled and made available for the state as a whole and for each  
3 county and reported separately for each program listed in  
4 subsection (1).

5           (3) The department shall, on a quarterly basis by February 1,  
6 May 1, August 1, and November 1, compile and make available on its  
7 website the family independence program information listed as  
8 follows:

9           (a) The number of new applicants who successfully met the  
10 requirements of the 21-day assessment period for PATH.

11           (b) The number of new applicants who did not meet the  
12 requirements of the 21-day assessment period for PATH.

13           (c) The number of cases sanctioned because of the school  
14 truancy policy.

15           (d) The number of cases closed because of the 48-month and 60-  
16 month lifetime limits.

17           (e) The number of first-, second-, and third-time sanctions.

18           (f) The number of children ages 0-5 living in FIP-sanctioned  
19 households.

20           (4) The department shall notify the state budget office, the  
21 senate and house appropriations subcommittees on the department  
22 budget, the senate and house fiscal agencies, and the senate and  
23 house policy offices when the reports required in this section are  
24 made available on the department's website.

25 **CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE SERVICES**

26           Sec. 701. Unless required from changes to federal or state law

1 or at the request of a provider, the department shall not alter the  
2 terms of any signed contract with a private residential facility  
3 serving children under state or court supervision without written  
4 consent from a representative of the private residential facility.

5       Sec. 706. Counties shall be subject to 50% chargeback for the  
6 use of alternative regional detention services, if those detention  
7 services do not fall under the basic provision of section 117e of  
8 the social welfare act, 1939 PA 280, MCL 400.117e, or if a county  
9 operates those detention services programs primarily with  
10 professional rather than volunteer staff.

11       Sec. 707. In order to be reimbursed for child care fund  
12 expenditures, counties are required to submit department-developed  
13 reports to enable the department to document potential federally  
14 claimable expenditures. This requirement is in accordance with the  
15 reporting requirements specified in section 117a(7) of the social  
16 welfare act, 1939 PA 280, MCL 400.117a.

17       Sec. 708. (1) As a condition of receiving funds appropriated  
18 in part 1 for the child care fund line item, by December 15 of the  
19 current fiscal year, counties shall have an approved service  
20 spending plan for the current fiscal year. Counties must submit the  
21 service spending plan to the department by October 1 of the current  
22 fiscal year for approval. Upon submission of the county service  
23 spending plan, the department shall approve within 30 calendar days  
24 after receipt of a properly completed service plan that complies  
25 with the requirements of the social welfare act, 1939 PA 280, MCL  
26 400.1 to 400.119b. The department shall notify and submit county  
27 service spending plan revisions to any county whose county service

1 spending plan is not accepted upon initial submission. The  
2 department shall not request any additional revisions to a county  
3 service spending plan outside of the requested revision  
4 notification submitted to the county by the department. The  
5 department shall notify a county within 30 days after approval that  
6 its service plan was approved.

7 (2) The department shall submit a report to the house and  
8 senate appropriations subcommittees on the department budget, the  
9 house and senate fiscal agencies, and the house and senate policy  
10 offices by February 15 of the current fiscal year on the number of  
11 counties that fail to submit a service spending plan by October 1  
12 and the number of service spending plans not approved by December  
13 15. The report shall include the number of county service spending  
14 plans that were not approved as first submitted by the counties, as  
15 well as the number of plans that were not approved by the  
16 department after being resubmitted by the county with the first  
17 revisions that were requested by the department.

18 Sec. 709. (1) The department's master contract for juvenile  
19 justice residential foster care services shall be amended to  
20 prohibit contractors from denying a referral for placement of a  
21 youth, or terminating a youth's placement, if the youth's assessed  
22 treatment needs are in alignment with the facility's residential  
23 program type, as identified by the court or the department. In  
24 addition, the master contract shall require that youth placed in  
25 juvenile justice residential foster care facilities must have  
26 regularly scheduled treatment sessions with a licensed psychologist  
27 or psychiatrist, or both, and access to the licensed psychologist

1 or psychiatrist as needed.

2 (2) The rates established for private residential juvenile  
3 justice facilities that were in effect on October 1, 2015 remain in  
4 effect for the current fiscal year.

5 (3) The department shall submit a report by December 31 of the  
6 current fiscal year to the senate and house appropriations  
7 subcommittees on the department budget, the senate and house fiscal  
8 agencies, and the senate and house policy offices on the current  
9 placement and status of the youth transferred from the W.J. Maxey  
10 Training School during the previous and current fiscal year as a  
11 result of the closure.

12 Sec. 721. If the demand for placements at state-operated  
13 juvenile justice residential facilities exceeds capacity, the  
14 department shall not increase the available occupancy or services  
15 at the facilities, and shall post a request for proposals for a  
16 contract with not less than 1 private provider of residential  
17 services for juvenile justice youth to be a residential facility of  
18 last resort.

19 **FIELD OPERATIONS AND SUPPORT SERVICES**

20 Sec. 801. (1) Funds appropriated in part 1 for independent  
21 living shall be used to support the general operations of centers  
22 for independent living in delivering mandated independent living  
23 services in compliance with federal rules and regulations for the  
24 centers, by existing centers for independent living to serve  
25 underserved areas, and for projects to build the capacity of  
26 centers for independent living to deliver independent living

1 services. Applications for the funds shall be reviewed in  
2 accordance with criteria and procedures established by the  
3 department. The funds appropriated in part 1 may be used to  
4 leverage federal vocational rehabilitation innovation and expansion  
5 funds consistent with 34 CFR 361.35 up to \$5,543,000.00, if  
6 available. If the possibility of matching federal funds exists, the  
7 centers for independent living network will negotiate a mutually  
8 beneficial contractual arrangement with Michigan rehabilitation  
9 services. Funds shall be used in a manner consistent with the state  
10 plan for independent living. Services provided should assist people  
11 with disabilities to move toward self-sufficiency, including  
12 support for accessing transportation and health care, obtaining  
13 employment, community living, nursing home transition, information  
14 and referral services, education, youth transition services,  
15 veterans, and stigma reduction activities and community education.  
16 This includes the independent living guide project that  
17 specifically focuses on economic self-sufficiency.

18 (2) The Michigan centers for independent living shall provide  
19 a report by March 1 of the current fiscal year to the house and  
20 senate appropriations subcommittees on the department budget, the  
21 house and senate fiscal agencies, the house and senate policy  
22 offices, and the state budget office on direct customer and system  
23 outcomes and performance measures.

24 Sec. 802. The Michigan rehabilitation services shall work  
25 collaboratively with the bureau of services for blind persons,  
26 service organizations, and government entities to identify  
27 qualified match dollars to maximize use of available federal

1 vocational rehabilitation funds.

2       Sec. 803. The department shall provide an annual report by  
3 February 1 to the house and senate appropriations subcommittees on  
4 the department budget, the house and senate fiscal agencies, and  
5 house and senate policy offices on efforts taken to improve the  
6 Michigan rehabilitation services. The report shall include all of  
7 the following items:

8       (a) Reductions and changes in administration costs and  
9 staffing.

10       (b) Service delivery plans and implementation steps achieved.

11       (c) Reorganization plans and implementation steps achieved.

12       (d) Plans to integrate Michigan rehabilitative services  
13 programs into other services provided by the department.

14       (e) Quarterly expenditures by major spending category.

15       (f) Employment and job retention rates from both Michigan  
16 rehabilitation services and its nonprofit partners.

17       (g) Success rate of each district in achieving the program  
18 goals.

19       Sec. 804. From the funds appropriated in part 1 for Michigan  
20 rehabilitation services, the department shall allocate \$50,000.00  
21 along with available federal match to support the provision of  
22 vocational rehabilitation services to eligible agricultural workers  
23 with disabilities. Authorized services shall assist agricultural  
24 workers with disabilities in acquiring or maintaining quality  
25 employment and independence.

26       Sec. 805. It is the intent of the legislature that Michigan  
27 rehabilitation services shall not implement an order of selection

1 for vocational and rehabilitative services. If the department is at  
2 risk of entering into an order of selection for services, the  
3 department shall notify the chairs of the senate and house  
4 subcommittees on the department budget and the senate and house  
5 fiscal agencies and policy offices within 2 weeks of receiving  
6 notification.

7       Sec. 806. From the funds appropriated in part 1 for Michigan  
8 rehabilitation services, the department shall allocate  
9 \$6,100,300.00, including federal matching funds, to service  
10 authorizations with community-based rehabilitation organizations  
11 for job development and other community employment-related support  
12 services.

13       Sec. 807. From the funds appropriated in part 1 for Elder Law  
14 of Michigan MiCAFE contract, the department shall allocate not less  
15 than \$350,000.00 to the Elder Law of Michigan MiCAFE to assist this  
16 state's elderly population in participating in the food assistance  
17 program. Of the \$350,000.00 allocated under this section, the  
18 department shall use \$175,000.00, which are general fund/general  
19 purpose funds, as state matching funds for not less than  
20 \$175,000.00 in United States Department of Agriculture funding to  
21 provide outreach program activities, such as eligibility screening  
22 and information services, as part of a statewide food assistance  
23 hotline.

24       Sec. 825. From the funds appropriated in part 1, the  
25 department shall provide individuals not more than \$500.00 for  
26 vehicle repairs, including any repairs done in the previous 12  
27 months. However, the department may in its discretion pay for



1 repairs up to \$900.00. Payments under this section shall include  
2 the combined total of payments made by the department and work  
3 participation program.

4       Sec. 850. (1) The department shall maintain out-stationed  
5 eligibility specialists in community-based organizations, community  
6 mental health agencies, nursing homes, adult placement and  
7 independent living settings, federally qualified health centers,  
8 and hospitals unless a community-based organization, community  
9 mental health agency, nursing home, adult placement and independent  
10 living setting, federally qualified health centers, or hospital  
11 requests that the program be discontinued at its facility.

12       (2) From the funds appropriated in part 1 for donated funds  
13 positions, the department shall enter into a contract with any  
14 agency that requests a donated funds position and is able and  
15 eligible under federal law to provide the required matching funds  
16 for federal funding, as determined by federal statute and  
17 regulations. If the department denies a request for donated funds  
18 positions, the department shall provide to the agency that made the  
19 request the federal statute or regulation that supports the denial.  
20 If there is no federal statute or regulation that supports the  
21 denial, the department shall grant the request for the donated  
22 funds position.

23       (3) A contract for a donated funds position must include, but  
24 not be limited to, the following performance metrics:

25       (a) Meeting a standard of promptness for processing  
26 applications for Medicaid and other public assistance programs  
27 under state law.

1 (b) Meeting required standards for error rates in determining  
2 programmatic eligibility as determined by the department.

3 (4) The department shall only fill additional donated funds  
4 positions after a new contract has been signed. That position shall  
5 also be abolished when the contract expires or is terminated.

6 (5) The department shall classify as limited-term FTEs any new  
7 employees who are hired to fulfill the donated funds position  
8 contracts or are hired to fill any vacancies from employees who  
9 transferred to a donated funds position.

10 (6) By March 1 of the current fiscal year, the department  
11 shall submit a report to the senate and house appropriations  
12 subcommittees on the department budget, the senate and house fiscal  
13 agencies and policy offices, and the state budget office detailing  
14 information on the donated funds positions, including the total  
15 number of occupied positions, the total private contribution of the  
16 positions, and the total cost to the state for any nonsalary  
17 expenditure for the donated funds position employees.

#### 18 **BEHAVIORAL HEALTH SERVICES**

19 Sec. 901. Funds appropriated in part 1 are intended to support  
20 a system of comprehensive community mental health services under  
21 the full authority and responsibility of local CMHSPs or PIHPs in  
22 accordance with the mental health code, 1974 PA 258, MCL 330.1001  
23 to 330.2106, the Medicaid provider manual, federal Medicaid  
24 waivers, and all other applicable federal and state laws.

25 Sec. 902. (1) From funds appropriated in part 1, final  
26 authorizations to CMHSPs or PIHPs shall be made upon the execution

1 of contracts between the department and CMHSPs or PIHPs. The  
2 contracts shall contain an approved plan and budget as well as  
3 policies and procedures governing the obligations and  
4 responsibilities of both parties to the contracts. Each contract  
5 with a CMHSP or PIHP that the department is authorized to enter  
6 into under this subsection shall include a provision that the  
7 contract is not valid unless the total dollar obligation for all of  
8 the contracts between the department and the CMHSPs or PIHPs  
9 entered into under this subsection for the current fiscal year does  
10 not exceed the amount of money appropriated in part 1 for the  
11 contracts authorized under this subsection.

12 (2) The department shall immediately report to the senate and  
13 house appropriations subcommittees on the department budget, the  
14 senate and house fiscal agencies, and the state budget director if  
15 either of the following occurs:

16 (a) Any new contracts the department has entered into with  
17 CMHSPs or PIHPs that would affect rates or expenditures.

18 (b) Any amendments to contracts the department has entered  
19 into with CMHSPs or PIHPs that would affect rates or expenditures.

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

23 Sec. 904. (1) Not later than May 31 of the current fiscal  
24 year, the department shall provide a report on the CMHSPs, PIHPs,  
25 regional entities designated by the department as PIHPs, and  
26 managing entities for substance use disorders to the members of the  
27 house and senate appropriations subcommittees on the department

1 budget, the house and senate fiscal agencies, and the state budget  
2 director that includes the information required by this section.

3 (2) The report shall contain information for each CMHSP, PIHP,  
4 regional entity designated by the department as a PIHP, and  
5 managing entity for substance use disorders and a statewide  
6 summary, each of which shall include at least the following  
7 information:

8 (a) A demographic description of service recipients that,  
9 minimally, shall include reimbursement eligibility, client  
10 population, age, ethnicity, housing arrangements, and diagnosis.

11 (b) Per capita expenditures in total and by client population  
12 group and cultural and ethnic groups of the services area,  
13 including the deaf and hard of hearing population.

14 (c) Financial information that, minimally, includes a  
15 description of funding authorized; expenditures by diagnosis group,  
16 service category, and reimbursement eligibility; and cost  
17 information by Medicaid, Healthy Michigan plan, state appropriated  
18 non-Medicaid mental health services, local funding, and other fund  
19 sources, including administration and funds specified for all  
20 outside contracts for services and products. Financial information  
21 must include the amount of funding, from each fund source, used to  
22 cover clinical services and supports. Service category includes all  
23 department-approved services.

24 (d) Data describing service outcomes that include, but are not  
25 limited to, an evaluation of consumer satisfaction, consumer  
26 choice, and quality of life concerns including, but not limited to,  
27 housing and employment.

1 (e) Information about access to CMHSPs that includes, but is  
2 not limited to, the following:

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

4 (ii) The number of people who requested services but did not  
5 receive services.

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

8 (g) Lapses and carryforwards during the immediately preceding  
9 fiscal year for CMHSPs, PIHPs, regional entities designated by the  
10 department as PIHPs, and managing entities for substance use  
11 disorders.

12 (h) Performance indicator information required to be submitted  
13 to the department in the contracts with CMHSPs, PIHPs, regional  
14 entities designated by the department as PIHPs, and managing  
15 entities for substance use disorders.

16 (i) Administrative expenditures of each CMHSP, PIHP, regional  
17 entity designated by the department as a PIHP, and managing entity  
18 for substance use disorders that includes a breakout of the salary,  
19 benefits, and pension of each executive level staff and shall  
20 include the director, chief executive, and chief operating officers  
21 and other members identified as executive staff.

22 (3) The department shall include data reporting requirements  
23 listed in subsection (2) in the annual contract with each  
24 individual CMHSP, PIHP, regional entity designated by the  
25 department as a PIHP, and managing entity for substance use  
26 disorders.

27 (4) The department shall take all reasonable actions to ensure

1 that the data required are complete and consistent among all  
2 CMHSPs, PIHPs, regional entities designated by the department as  
3 PIHPs, and managing entities for substance use disorders.

4       Sec. 906. (1) The funds appropriated in part 1 for the state  
5 disability assistance substance use disorder services program shall  
6 be used to support per diem room and board payments in substance  
7 use disorder residential facilities. Eligibility of clients for the  
8 state disability assistance substance use disorder services program  
9 shall include needy persons 18 years of age or older, or  
10 emancipated minors, who reside in a substance use disorder  
11 treatment center.

12       (2) The department shall reimburse all licensed substance use  
13 disorder programs eligible to participate in the program at a rate  
14 equivalent to that paid by the department to adult foster care  
15 providers. Programs accredited by department-approved accrediting  
16 organizations shall be reimbursed at the personal care rate, while  
17 all other eligible programs shall be reimbursed at the domiciliary  
18 care rate.

19       Sec. 907. (1) The amount appropriated in part 1 for substance  
20 use disorder prevention, education, and treatment grants shall be  
21 expended to coordinate care and services provided to individuals  
22 with severe and persistent mental illness and substance use  
23 disorder diagnoses.

24       (2) The department shall approve managing entity fee schedules  
25 for providing substance use disorder services and charge  
26 participants in accordance with their ability to pay.

27       (3) The managing entity shall continue current efforts to

1 collaborate on the delivery of services to those clients with  
2 mental illness and substance use disorder diagnoses with the goal  
3 of providing services in an administratively efficient manner.

4       Sec. 908. (1) By April 1 of the current fiscal year, the  
5 department shall report the following data from the prior fiscal  
6 year on substance use disorder prevention, education, and treatment  
7 programs to the senate and house appropriations subcommittees on  
8 the department budget, the senate and house fiscal agencies, and  
9 the state budget office:

10       (a) Expenditures stratified by department-designated community  
11 mental health entity, by central diagnosis and referral agency, by  
12 fund source, by subcontractor, by population served, and by service  
13 type. Additionally, data on administrative expenditures by  
14 department-designated community mental health entity shall be  
15 reported.

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

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

22       (d) Collections from other first- or third-party payers,  
23 private donations, or other state or local programs, by department-  
24 designated community mental health entity, by subcontractor, by  
25 population served, and by service type.

26       (2) The department shall take all reasonable actions to ensure  
27 that the required data reported are complete and consistent among

1 all department-designated community mental health entities.

2       Sec. 910. The department shall ensure that substance use  
3 disorder treatment is provided to applicants and recipients of  
4 public assistance through the department who are required to obtain  
5 substance use disorder treatment as a condition of eligibility for  
6 public assistance.

7       Sec. 911. (1) The department shall ensure that each contract  
8 with a CMHSP or PIHP requires the CMHSP or PIHP to implement  
9 programs to encourage diversion of individuals with serious mental  
10 illness, serious emotional disturbance, or developmental disability  
11 from possible jail incarceration when appropriate.

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

22       Sec. 912. The department shall contract directly with the  
23 Salvation Army harbor light program to provide non-Medicaid  
24 substance use disorder services if the local coordinating agency or  
25 the department confirms the Salvation Army harbor light program  
26 meets the standard of care. The standard of care shall include, but  
27 is not limited to, utilization of the medication assisted treatment



1 option.

2       Sec. 918. On or before the twenty-fifth of each month, the  
3 department shall report to the senate and house appropriations  
4 subcommittees on the department budget, the senate and house fiscal  
5 agencies, and the state budget director on the amount of funding  
6 paid to PIHPs to support the Medicaid managed mental health care  
7 program in the preceding month. The information shall include the  
8 total paid to each PIHP, per capita rate paid for each eligibility  
9 group for each PIHP, and number of cases in each eligibility group  
10 for each PIHP, and year-to-date summary of eligibles and  
11 expenditures for the Medicaid managed mental health care program.

12       Sec. 920. (1) As part of the Medicaid rate-setting process for  
13 behavioral health services, the department shall work with PIHP  
14 network providers and actuaries to include any state and federal  
15 wage and compensation increases that directly impact staff who  
16 provide Medicaid-funded community living supports, personal care  
17 services, respite services, skill-building services, and other  
18 similar supports and services as part of the Medicaid rate.

19       (2) It is the intent of the legislature that any increased  
20 Medicaid rate related to state minimum wage increases shall also be  
21 distributed to direct care employees.

22       Sec. 928. (1) Each PIHP shall provide, from internal  
23 resources, local funds to be used as a 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 (2) It is the intent of the legislature that any funds that  
3 lapse from the funds appropriated in part 1 for Medicaid mental  
4 health services shall be redistributed to individual CMHSPs as a  
5 reimbursement of local funds on a proportional basis to those  
6 CMHSPs whose local funds were used as state Medicaid match. By  
7 April 1 of the current fiscal year, the department shall report to  
8 the senate and house appropriations subcommittees on the department  
9 budget, the senate and house fiscal agencies, the senate and house  
10 policy offices, and the state budget office on the lapse by PIHP  
11 from the previous fiscal year and the projected lapse by PIHP in  
12 the current fiscal year.

13 Sec. 935. A county required under the provisions of the mental  
14 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide  
15 matching funds to a CMHSP for mental health services rendered to  
16 residents in its jurisdiction shall pay the matching funds in equal  
17 installments on not less than a quarterly basis throughout the  
18 fiscal year, with the first payment being made by October 1 of the  
19 current fiscal year.

20 Sec. 940. (1) According to section 236 of the mental health  
21 code, 1974 PA 258, MCL 330.1236, the department shall do both of  
22 the following:

23 (a) Review expenditures for each CMHSP to identify CMHSPs with  
24 projected allocation surpluses and to identify CMHSPs with  
25 projected allocation shortfalls. The department shall encourage the  
26 board of a CMHSP with a projected allocation surplus to concur with  
27 the department's recommendation to reallocate those funds to CMHSPs

1 with projected allocation shortfalls.

2 (b) Withdraw funds that have been allocated to a CMHSP if  
3 those funds were expended in a manner not provided for in the  
4 approved contract and operating budget, including expending funds  
5 on services and programs provided to individuals residing outside  
6 of the CMHSP's geographic region.

7 (2) A CMHSP that has its funding allocation transferred out or  
8 withdrawn during the current fiscal year as described in subsection  
9 (1) is not eligible for any additional funding reallocations during  
10 the remainder of the current fiscal year.

11 (3) The department shall notify the chairs of the  
12 appropriation subcommittees on the department budget when a request  
13 is made and when the department grants approval for reallocation or  
14 withdraw as described in subsection (1). By September 30 of the  
15 current fiscal year, the department shall provide a report on the  
16 amount of funding reallocated or withdrawn to the senate and house  
17 appropriation subcommittees on the department budget, the senate  
18 and house fiscal agencies, the senate and house policy offices, and  
19 the state budget office.

20 Sec. 941. From the funds appropriated in part 1 for community  
21 mental health non-Medicaid services, no less than \$3,000,000.00  
22 shall be allocated to CMHSPs to support costs related to Medicaid  
23 spenddown beneficiaries having to satisfy monthly deductible  
24 requirements.

25 Sec. 942. A CMHSP shall provide at least 30 days' notice  
26 before reducing, terminating, or suspending services provided by a  
27 CMHSP to CMHSP clients, with the exception of services authorized

1 by a physician that no longer meet established criteria for medical  
2 necessity.

3       Sec. 958. Medicaid services shall include treatment for autism  
4 spectrum disorders as defined in the federally approved Medicaid  
5 state plan. These services may be coordinated with the Medicaid  
6 health plans and the Michigan Association of Health Plans.

7       Sec. 960. (1) From the funds appropriated in part 1 for  
8 university autism programs, the department shall continue a grant  
9 process for autism programs. These grants are intended to increase  
10 the number of applied behavioral analysts, increase the number of  
11 autism diagnostic services provided, or increase employment of  
12 individuals who are diagnosed with autism spectrum disorder.

13       (2) As a condition of accepting the grants described in  
14 subsection (1), each university shall track and report back to the  
15 department where the individuals who have completed the applied  
16 behavioral analysis training are initially employed and the  
17 location of the initial employment.

18       (3) Outcomes and performance measures related to this  
19 initiative include, but are not limited to, the following:

20       (a) An increase in applied behavioral analysts certified from  
21 university autism programs.

22       (b) The number of autism diagnostic services provided.

23       (c) The employment rate of employment program participants.

24       (d) The employment rate of applied behavioral analysts trained  
25 through the university autism programs.

26       Sec. 994. (1) Contingent upon federal approval, if a CMHSP,  
27 PIHP, or subcontracting provider agency is reviewed and accredited

1 by a national accrediting entity for behavioral health care  
2 services, the department, by April 1 of the current fiscal year,  
3 shall consider that CMHSP, PIHP, or subcontracting provider agency  
4 in compliance with state program review and audit requirements that  
5 are addressed and reviewed by that national accrediting entity.

6 (2) By June 1 of the current fiscal year, the department shall  
7 report to the house and senate appropriations subcommittees on the  
8 department budget, the house and senate fiscal agencies, and the  
9 state budget office all of the following:

10 (a) A list of each CMHSP, PIHP, and subcontracting provider  
11 agency that is considered in compliance with state program review  
12 and audit requirements under subsection (1).

13 (b) For each CMHSP, PIHP, or subcontracting provider agency  
14 described in subdivision (a), all of the following:

15 (i) The state program review and audit requirements that the  
16 CMHSP, PIHP, or subcontracting provider agency is considered in  
17 compliance with.

18 (ii) The national accrediting entity that reviewed and  
19 accredited the CMHSP, PIHP, or subcontracting provider agency.

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

23 (4) As used in this section, "national accrediting entity"  
24 means the Joint Commission, formerly known as the Joint Commission  
25 on Accreditation of Healthcare Organizations, the Commission on  
26 Accreditation of Rehabilitation Facilities, the Council on  
27 Accreditation, the URAC, formerly known as the Utilization Review

1 Accreditation Commission, the National Committee for Quality  
2 Assurance, or other appropriate entity, as approved by the  
3 department.

4 Sec. 995. From the funds appropriated in part 1 for behavioral  
5 health program administration, \$4,350,000.00 is intended to address  
6 the recommendations of the mental health diversion council.

7 Sec. 997. The population data used in determining the  
8 distribution of substance use disorder block grant funds shall be  
9 from the most recent federal census.

10 Sec. 998. For distribution of state general funds to CMHSPs,  
11 if the department decides to use census data, the department shall  
12 use the most recent federal decennial census data available.

13 Sec. 1003. The department shall notify the Michigan  
14 Association of Community Mental Health Boards when developing  
15 policies and procedures that will impact PIHPs or CMHSPs.

16 Sec. 1004. The department shall provide the senate and house  
17 appropriations subcommittee on the department budget, the senate  
18 and house fiscal agencies, and the state budget office any rebased  
19 formula changes to either Medicaid behavioral health services or  
20 non-Medicaid mental health services 90 days before implementation.  
21 The notification shall include a table showing the changes in  
22 funding allocation by PIHP for Medicaid behavioral health services  
23 or by CMHSP for non-Medicaid mental health services.

24 Sec. 1005. For the purposes of special projects involving  
25 high-need children or adults, including the not guilty by reason of  
26 insanity population, the department may contract directly with  
27 providers of services to these identified populations.

1           Sec. 1007. (1) From the funds appropriated in part 1 for  
2 behavioral health program administration, the department shall  
3 maintain a psychiatric residential treatment facility and  
4 children's behavioral action team. These services will augment the  
5 continuum of behavioral health services for high-need youth and  
6 provide additional continuity of care and transition into  
7 supportive community-based services.

8           (2) Outcomes and performance measures for this initiative  
9 include, but are not limited to, the following:

10           (a) The rate of rehospitalization for youth served through the  
11 program at 30 and 180 days.

12           (b) Measured change in the Child and Adolescent Functional  
13 Assessment Scale for children served through the program.

14           Sec. 1008. The PIHP shall do all of the following:

15           (a) Work to reduce administration costs by ensuring that PIHP  
16 responsible functions are efficient to allow optimal transition of  
17 dollars to direct services. This process must include limiting  
18 duplicate layers of administration and minimizing PIHP-delegated  
19 services that may result in higher costs or inconsistent service  
20 delivery, or both.

21           (b) Take an active role in managing mental health care by  
22 ensuring consistent and high-quality service delivery throughout  
23 its network and promote a conflict-free care management  
24 environment.

25           (c) Ensure that direct service rate variances are related to  
26 the level of need or other quantifiable measures to ensure that the  
27 most money possible reaches direct services.

1 (d) Whenever possible, promote fair and adequate direct care  
2 reimbursement, including fair wages for direct service workers.

3 Sec. 1009. (1) The department shall work with PIHP network  
4 providers to analyze the workforce challenges of recruitment and  
5 retention of staff who provide Medicaid-funded community living  
6 supports, personal care services, respite services, skill building  
7 services, and other similar supports and services. The department  
8 workgroup must consider ways to attract and retain staff to provide  
9 Medicaid-funded supports and services.

10 (2) The department workgroup must include PIHP providers,  
11 CMHSPs, individuals with disabilities, and staff.

12 (3) By March 1 of the current fiscal year, the department  
13 shall provide a status report on the workgroup's suggestions to the  
14 senate and house appropriations subcommittees on the department  
15 budget, the senate and house fiscal agencies, and the state budget  
16 director, making note in the report when the participants outlined  
17 in subsection (2) reached consensus on the workgroup's suggestions  
18 and when the participants outlined in subsection (2) had points of  
19 difference on the workgroup's suggestions.

20 Sec. 1010. From the funds appropriated in part 1 for  
21 behavioral health program administration, up to \$2,000,000.00 shall  
22 be allocated to address the implementation of court-ordered  
23 assisted outpatient treatment as provided under chapter 4 of the  
24 mental health code, 1974 PA 258, MCL 330.1400 to 330.1491.

25 Sec. 1012. By September 30 of the current fiscal year, the  
26 department shall submit a report to the senate and house  
27 appropriations subcommittees on the department budget, the senate



1 and house fiscal agencies, the senate and house policy offices, and  
2 the state budget office addressing the challenge of meeting monthly  
3 deductible requirements in the Medicaid program and establish  
4 policy recommendations. The report shall include, but not be  
5 limited to, all of the following items:

6 (a) The average number of individuals who do not meet their  
7 monthly Medicaid deductibles in this state each year.

8 (b) How the reduction in general fund investment to CMHSPs for  
9 non-Medicaid services has played a role in the inability of many  
10 individuals to meet their spenddown.

11 (c) What currently counts as the protected income level and  
12 how that compares to other states.

13 (d) An action plan for implementation of any proposed changes.

14 (e) An estimate of the costs that may be incurred from  
15 adoption of recommendations included in the report.

#### 16 **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

17 Sec. 1051. The department shall continue a revenue recapture  
18 project to generate additional revenues from third parties related  
19 to cases that have been closed or are inactive. A portion of  
20 revenues collected through project efforts may be used for  
21 departmental costs and contractual fees associated with these  
22 retroactive collections and to improve ongoing departmental  
23 reimbursement management functions.

24 Sec. 1052. The purpose of gifts and bequests for patient  
25 living and treatment environments is to use additional private  
26 funds to provide specific enhancements for individuals residing at

1 state-operated facilities. Use of the gifts and bequests shall be  
2 consistent with the stipulation of the donor. The expected  
3 completion date for the use of gifts and bequests donations is  
4 within 3 years unless otherwise stipulated by the donor.

5       Sec. 1055. (1) The department shall not implement any closures  
6 or consolidations of state hospitals, centers, or agencies until  
7 CMHSPs or PIHPs have programs and services in place for those  
8 individuals currently in those facilities and a plan for service  
9 provision for those individuals who would have been admitted to  
10 those facilities.

11       (2) All closures or consolidations are dependent upon adequate  
12 department-approved CMHSP and PIHP plans that include a discharge  
13 and aftercare plan for each individual currently in the facility. A  
14 discharge and aftercare plan shall address the individual's housing  
15 needs. A homeless shelter or similar temporary shelter arrangements  
16 are inadequate to meet the individual's housing needs.

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

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

27       Sec. 1056. The department may collect revenue for patient

1 reimbursement from first- and third-party payers, including  
2 Medicaid and local county CMHSP payers, to cover the cost of  
3 placement in state hospitals and centers. The department is  
4 authorized to adjust financing sources for patient reimbursement  
5 based on actual revenues earned. If the revenue collected exceeds  
6 current year expenditures, the revenue may be carried forward with  
7 approval of the state budget director. The revenue carried forward  
8 shall be used as a first source of funds in the subsequent year.

9       Sec. 1057. The department shall work with the department of  
10 technology, management, and budget to evaluate the condition of the  
11 Hawthorn Center and the Caro Center, the cost-effectiveness of  
12 improvements and investments and make recommendations to improve  
13 the quality of the facilities needed by the patients.

14       Sec. 1058. Effective October 1 of the current fiscal year, the  
15 department, in consultation with the department of technology,  
16 management, and budget, may maintain a bid process to identify 1 or  
17 more private contractors to provide food service and custodial  
18 services for the administrative areas at any state hospital  
19 identified by the department as capable of generating savings  
20 through the outsourcing of such services.

21       Sec. 1059. (1) From the increased funds appropriated in part 1  
22 in center for forensic psychiatry, the department shall open an  
23 additional wing at the center for forensic psychiatry to provide  
24 additional capacity for specialized services to criminal defendants  
25 who are adjudicated as incompetent to stand trial or not guilty by  
26 reason of insanity.

27       (2) The department shall identify specific outcomes and

1 performance measures for this initiative, including, but not  
2 limited, to the following:

3 (a) The average wait time for persons ruled incompetent to  
4 stand trial before admission to the center for forensic psychiatry.

5 (b) The average wait time for persons ruled incompetent to  
6 stand trial before admission to other state-operated psychiatric  
7 facilities.

8 (c) The number of persons waiting to receive services at the  
9 center for forensic psychiatry.

10 (d) The number of persons waiting to receive services at other  
11 state-operated hospitals and centers.

## 12 HEALTH POLICY

13 Sec. 1140. From the funds appropriated in part 1 for primary  
14 care services, \$250,000.00 shall be allocated to free health  
15 clinics operating in the state. The department shall distribute the  
16 funds equally to each free health clinic. For the purpose of this  
17 appropriation, "free health clinics" means nonprofit organizations  
18 that use volunteer health professionals to provide care to  
19 uninsured individuals.

20 Sec. 1142. The department shall continue to seek means to  
21 increase retention of Michigan medical school students for  
22 completion of their primary care residency requirements within this  
23 state and ultimately, for some period of time, to remain in this  
24 state and serve as primary care physicians. The department is  
25 encouraged to work with Michigan institutions of higher education.

26 Sec. 1143. The department may award health innovation grants

1 to address emerging issues and encourage cutting edge advances in  
2 health care including strategic partners in both the public and  
3 private sectors.

4       Sec. 1144. (1) From the funds appropriated in part 1 for  
5 health policy administration, the department shall allocate the  
6 federal state innovation model grant funding that supports  
7 implementation of the health delivery system innovations detailed  
8 in this state's "Reinventing Michigan's Health Care System:  
9 Blueprint for Health Innovation" document. This initiative will  
10 test new payment methodologies, support improved population health  
11 outcomes, and support improved infrastructure for technology and  
12 data sharing and reporting. The funds will be used to provide  
13 financial support directly to regions participating in the model  
14 test and to support statewide stakeholder guidance and technical  
15 support.

16       (2) Outcomes and performance measures for the initiative under  
17 subsection (1) include, but are not limited to, the following:

18       (a) Increasing the number of physician practices fulfilling  
19 patient-centered medical home functions.

20       (b) Reducing inappropriate health utilization, specifically  
21 reducing preventable emergency department visits, reducing the  
22 proportion of hospitalizations for ambulatory sensitive conditions,  
23 and reducing this state's 30-day hospital readmission rate.

24       (3) By March 1 and September 1 of the current fiscal year, the  
25 department shall submit a written report to the house and senate  
26 appropriations subcommittees on the department budget, the house  
27 and senate fiscal agencies, and the state budget office on the

1 status of the program and progress made since the prior report.

2 (4) From the funds appropriated in part 1 for health policy  
3 administration, any data aggregator created as part of the  
4 allocation of the federal state innovation model grant funds must  
5 meet the following standards:

6 (a) The primary purpose of the data aggregator must be to  
7 increase the quality of health care delivered in this state, while  
8 reducing costs.

9 (b) The data aggregator must be governed by a nonprofit  
10 entity.

11 (c) All decisions regarding the establishment, administration,  
12 and modification of the database must be made by an advisory board.  
13 The membership of the advisory board must include the director of  
14 the department or a designee of the director and representatives of  
15 health carriers, consumers, and purchasers.

16 (d) The data aggregator must receive health care claims  
17 information from, without limitation, commercial health carriers,  
18 nonprofit health care corporations, health maintenance  
19 organizations, and third party administrators that process claims  
20 under a service contract.

21 (e) The data aggregator must use existing data sources and  
22 technological infrastructure, to the extent possible.

23 Sec. 1145. The department will take steps necessary to work  
24 with Indian Health Service, Tribal or Urban Indian Health Program  
25 facilities that provide services under a contract with a Medicaid  
26 managed care entity to ensure that those facilities receive the  
27 maximum amount allowable under federal law for Medicaid services.

1           Sec. 1146. From the funds appropriated in part 1 for bone  
2 marrow transplant registry, \$250,000.00 shall be allocated to  
3 Michigan Blood, the partner of the match registry of the national  
4 marrow donor program. The funds shall be used to offset ongoing  
5 tissue typing expenses associated with donor recruitment and  
6 collection services and to expand those services to better serve  
7 the citizens of this state.

8           Sec. 1150. From the funds appropriated in part 1 for health  
9 policy administration, the department shall dedicate 1.0 FTE to  
10 coordinate with the department of licensing and regulatory affairs,  
11 the department of the attorney general, all appropriate law  
12 enforcement agencies, and the Medicaid health plans to reduce fraud  
13 related to opioid prescribing within Medicaid, and to address other  
14 appropriate recommendations of the prescription drug and opioid  
15 abuse task force outlined in its report of October 2015. By October  
16 1 of the current fiscal year, the department shall submit a report  
17 to the senate and house appropriations subcommittees on the  
18 department budget, the senate and house fiscal agencies, the senate  
19 and house policy offices, and the state budget office on steps the  
20 department has taken to coordinate with the entities listed in this  
21 section and other stakeholders to reduce fraud related to opioid  
22 prescribing, and to address other appropriate recommendations of  
23 the task force.

24           Sec. 1151. From the funds appropriated in part 1 for health  
25 policy administration, the department shall dedicate 1.0 FTE to  
26 coordinate with the department of licensing and regulatory affairs,  
27 the department of the attorney general, all appropriate law

1 enforcement agencies, and the Medicaid health plans to work with  
2 local substance use disorder agencies and addiction treatment  
3 providers to help inform Medicaid beneficiaries of all medically  
4 appropriate treatment options for opioid addiction when their  
5 treating physician stops prescribing prescription opioid medication  
6 for pain, and to address other appropriate recommendations of the  
7 prescription drug and opioid abuse task force outlined in its  
8 report of October 2015. By October 1 of the current fiscal year,  
9 the department shall submit a report to the senate and house  
10 appropriations subcommittees on the department budget, the senate  
11 and house fiscal agencies, the senate and house policy offices, and  
12 the state budget office on how the department is working with local  
13 substance use disorder agencies and addiction treatment providers  
14 to ensure that Medicaid beneficiaries are informed of all available  
15 and medically appropriate treatment options for opioid addiction  
16 when their treating physician stops prescribing prescription opioid  
17 medication for pain, and to address other appropriate  
18 recommendations of the task force. The report shall include any  
19 potential barriers to medication-assisted treatment, as recommended  
20 by the Michigan medication-assisted treatment guidelines, for  
21 Medicaid beneficiaries in both office-based opioid treatment and  
22 opioid treatment program facility settings.

23 **DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY**

24 Sec. 1180. (1) From the funds appropriated in part 1 for the  
25 healthy homes program, no less than \$1,750,000.00 shall be  
26 allocated for lead abatement of homes.



1           (2) By January 1 of the current fiscal year, the department  
2 shall provide a report to the house and senate appropriations  
3 subcommittees on the department budget, the house and senate fiscal  
4 agencies, and the state budget office on the expenditures and  
5 activities undertaken by the lead abatement program in the previous  
6 fiscal year from the funds appropriated in part 1 for the healthy  
7 homes program. The report shall include, but is not limited to, a  
8 funding allocation schedule, expenditures by category of  
9 expenditure and by subcontractor, revenues received, description of  
10 program elements, and description of program accomplishments and  
11 progress.

#### 12 LOCAL HEALTH AND ADMINISTRATIVE SERVICES

13           Sec. 1220. The amount appropriated in part 1 for  
14 implementation of the 1993 additions of or amendments to sections  
15 9161, 16221, 16226, 17014, 17015, and 17515 of the public health  
16 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,  
17 333.17015, and 333.17515, shall be used to reimburse local health  
18 departments for costs incurred related to implementation of section  
19 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

20           Sec. 1221. If a county that has participated in a district  
21 health department or an associated arrangement with other local  
22 health departments takes action to cease to participate in such an  
23 arrangement after October 1 of the current fiscal year, the  
24 department shall have the authority to assess a penalty from the  
25 local health department's operational accounts in an amount equal  
26 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. 1222. (1) Funds appropriated in part 1 for essential  
5 local public health services shall be prospectively allocated to  
6 local health departments to support immunizations, infectious  
7 disease control, sexually transmitted disease control and  
8 prevention, hearing screening, vision services, food protection,  
9 public water supply, private groundwater supply, and on-site sewage  
10 management. Food protection shall be provided in consultation with  
11 the 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       (4) By December 1 of the current fiscal year, the department  
22 shall provide a report to the house and senate appropriations  
23 subcommittees on the department budget, the house and senate fiscal  
24 agencies, and the state budget director on the planned allocation  
25 of the funds appropriated for essential local public health  
26 services.

27       Sec. 1223. (1) From the funds appropriated in part 1 for

1 dental programs, \$150,000.00 shall be allocated to the Michigan  
2 Dental Association for the administration of a volunteer dental  
3 program that provides dental services to the uninsured.

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

12 Sec. 1224. The department shall use revenue from mobile  
13 dentistry facility permit fees received under section 21605 of the  
14 public health code, 1978 PA 368, MCL 333.21605, to offset the cost  
15 of the permit program.

16 Sec. 1225. The department shall work with the Michigan health  
17 endowment fund corporation established under section 653 of the  
18 nonprofit health care corporation reform act, 1980 PA 350, MCL  
19 550.1653, to explore ways to fund and evaluate current and future  
20 policies and programs. It is the intent of the legislature that, by  
21 March 1 of the current fiscal year, the senate and house  
22 appropriations subcommittees on the department budget shall hold a  
23 joint hearing for the purpose of a presentation by the Michigan  
24 health endowment fund corporation and the department, detailing the  
25 steps taken to work together, and to report on initiatives  
26 supported by the Michigan health endowment fund.

27 Sec. 1226. From the funds appropriated in part 1 for health

1 and wellness initiatives, \$1,000,000.00 shall be allocated for a  
2 school children's healthy exercise program to promote and advance  
3 physical health for school children in kindergarten through grade  
4 8. The department shall recommend model programs for sites to  
5 implement that incorporate evidence-based best practices. The  
6 department shall grant no less than 1/2 of the funds appropriated  
7 in part 1 for before- and after-school programs. The department  
8 shall establish guidelines for program sites, which may include  
9 schools, community-based organizations, private facilities,  
10 recreation centers, or other similar sites. The program format  
11 shall encourage local determination of site activities and shall  
12 encourage local inclusion of youth in the decision-making regarding  
13 site activities. Program goals shall include children experiencing  
14 improved physical health and access to physical activity  
15 opportunities, the reduction of obesity, providing a safe place to  
16 play and exercise, and nutrition education. To be eligible to  
17 participate, program sites shall provide a 20% match to the state  
18 funding, which may be provided in full, or in part, by a  
19 corporation, foundation, or private partner. The department shall  
20 seek financial support from corporate, foundation, or other private  
21 partners for the program or for individual program sites.

22       Sec. 1227. The department shall establish criteria for all  
23 funds allocated under part 1 for health and wellness initiatives.  
24 The criteria must include a requirement that all programs funded be  
25 evidence-based and supported by research, include interventions  
26 that have been shown to demonstrate outcomes that lower cost and  
27 improve quality, and be designed for statewide impact. Preference

1 must be given to programs that utilize the funding as match for  
2 additional resources including, but not limited to, federal  
3 sources.

4       Sec. 1228. Upon request, the department, in conjunction with  
5 the vendor, shall evaluate and analyze the costs and benefits of  
6 the traumatic brain injury pilot project as funded in article IV of  
7 2014 PA 252.

8       Sec. 1229. (1) From the funds appropriated in part 1 for  
9 dental programs, \$1,550,000.00 shall be distributed to local health  
10 departments who partner with a qualified nonprofit provider of  
11 dental services for the purpose of providing high-quality dental  
12 homes for seniors, children, and adults enrolled in Medicaid, and  
13 low-income uninsured.

14       (2) In order to be considered a qualified nonprofit provider  
15 of dental services, the provider must demonstrate an effective  
16 health insurance enrollment process for uninsured patients and  
17 demonstrate to the department an effective process of charging  
18 patients on a sliding scale based on the patient's ability to pay.

19       (3) Outcomes and performance measures for the program under  
20 this section include, but are not limited to, the following:

21       (a) The number of uninsured patients who visited a  
22 participating dentist over the prior year, broken down between  
23 adults and children.

24       (b) The number of patients assisted with health insurance  
25 enrollment, broken down between adults and children.

26       (c) A 5-year trend of the number of uninsured patients being  
27 served, broken down between adults and children.

1 **FAMILY, MATERNAL, AND CHILD HEALTH**

2           Sec. 1300. The department shall monitor estimated public funds  
3 administered by the department for family planning, sexually  
4 transmitted infection prevention and treatment, and pregnancies and  
5 births, as well as demographics collected by the department as  
6 voluntarily self-reported by individuals utilizing those services.  
7 The department shall monitor the actual expenditures by marital  
8 status or, where actual expenditures are not available, shall  
9 monitor estimated expenditures by marital status. The department  
10 may utilize the DCH-1426 application for health coverage and help  
11 paying costs or any other official application for public  
12 assistance for medical coverage to determine the actual or  
13 estimated public expenditures based on marital status. The  
14 department shall provide this information upon request of the  
15 legislature.

16           Sec. 1301. (1) Before April 1 of the current fiscal year, the  
17 department shall submit a report to the house and senate fiscal  
18 agencies and the state budget director on planned allocations from  
19 the amounts appropriated in part 1 for local MCH services, prenatal  
20 care outreach and service delivery support, family planning local  
21 agreements, and pregnancy prevention programs. Using applicable  
22 federal definitions, the report shall include information on all of  
23 the following:

24           (a) Funding allocations.

25           (b) Actual number of women, children, and adolescents served  
26 and amounts expended for each group for the immediately preceding  
27 fiscal year.

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

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

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

10 Sec. 1302. Each family planning program receiving federal  
11 title X family planning funds under 42 USC 300 to 300a-8 shall be  
12 in compliance with all performance and quality assurance indicators  
13 that the office of population affairs within the United States  
14 Department of Health and Human Services specifies in the program  
15 guidelines for project grants for family planning services. An  
16 agency not in compliance with the indicators shall not receive  
17 supplemental or reallocated funds.

18 Sec. 1303. The department shall not contract with an  
19 organization that provides elective abortions, abortion counseling,  
20 or abortion referrals, for services that are to be funded with  
21 state restricted or state general fund/general purpose funds  
22 appropriated in part 1 for family planning local agreements. An  
23 organization under contract with the department shall not  
24 subcontract with an organization that provides elective abortions,  
25 abortion counseling, or abortion referrals, for services that are  
26 to be funded with state restricted or state general fund/general  
27 purpose funds appropriated in part 1 for family planning local

1 agreements.

2       Sec. 1304. The department shall not use state restricted funds  
3 or state general funds appropriated in part 1 in the pregnancy  
4 prevention program or family planning local agreements  
5 appropriation line items for abortion counseling, referrals, or  
6 services.

7       Sec. 1307. From the funds appropriated in part 1 for prenatal  
8 care outreach and service delivery support, \$400,000.00 of TANF  
9 revenue shall be allocated for a pregnancy and parenting support  
10 services program, which program must promote childbirth,  
11 alternatives to abortion, and grief counseling. The department  
12 shall establish a program with a qualified contractor that will  
13 contract with qualified service providers to provide free  
14 counseling, support, and referral services to eligible women during  
15 pregnancy through 12 months after birth. As appropriate, the goals  
16 for client outcomes shall include an increase in client support, an  
17 increase in childbirth choice, an increase in adoption knowledge,  
18 an improvement in parenting skills, and improved reproductive  
19 health through abstinence education. The contractor of the program  
20 shall provide for program training, client educational material,  
21 program marketing, and annual service provider site monitoring. The  
22 department shall submit a report to the house and senate  
23 appropriations subcommittees on the department budget and the house  
24 and senate fiscal agencies by April 1 of the current fiscal year on  
25 the number of clients served.

26       Sec. 1308. From the funds appropriated in part 1 for prenatal  
27 care outreach and service delivery support, not less than



1 \$500,000.00 of funding shall be allocated for evidence-based  
2 programs to reduce infant mortality including nurse family  
3 partnership programs. The funds shall be used for enhanced support  
4 and education to nursing teams or other teams of qualified health  
5 professionals, client recruitment in areas designated as  
6 underserved for obstetrical and gynecological services and other  
7 high-need communities, strategic planning to expand and sustain  
8 programs, and marketing and communications of programs to raise  
9 awareness, engage stakeholders, and recruit nurses.

10 Sec. 1309. The department shall allocate funds appropriated in  
11 section 117 of part 1 for family, maternal, and child health  
12 according to section 1 of 2002 PA 360, MCL 333.1091.

13 Sec. 1310. The department shall continue to work jointly with  
14 the Michigan state housing development authority and the joint task  
15 force established under article IV of 2014 PA 252 to review housing  
16 rehabilitation, energy and weatherization, and hazard abatement  
17 program policies and to make recommendations for integrating and  
18 coordinating project delivery with the goals of serving more  
19 families and achieving better outcomes by maximizing state and  
20 federal resources. The joint task force may provide recommendations  
21 to the department. Recommendations of the joint task force must  
22 give consideration to best practices and cost effectiveness.

23 Sec. 1311. From the funds appropriated in part 1 for prenatal  
24 care outreach and service delivery support, equal consideration  
25 shall be given to all eligible evidence-based providers in all  
26 regions in contracting for rural home visitation services.

27 Sec. 1313. (1) The department shall continue developing an

1 outreach program on fetal alcohol syndrome services, targeting  
2 health promotion, prevention, and intervention as described in the  
3 Michigan fetal alcohol spectrum disorders 5-year plan 2015-2020.

4 (2) The department shall explore federal grant funding to  
5 address prevention services for fetal alcohol syndrome and reduce  
6 alcohol consumption among pregnant women.

7 Sec. 1340. The department shall include national brand peanut  
8 butter on the list of approved women, infants, and children special  
9 supplemental nutrition program basket items.

#### 10 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

11 Sec. 1360. The department may do 1 or more of the following:

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

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

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

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

20 Sec. 1361. From the funds appropriated in part 1 for medical  
21 care and treatment, the department is authorized to spend those  
22 funds for the continued development and expansion of telemedicine  
23 capacity to allow families with children in the children's special  
24 health care services program to access specialty providers more  
25 readily and in a more timely manner.

1 AGING AND ADULT SERVICES AGENCY

2           Sec. 1402. The department may encourage the Food Bank Council  
3 of Michigan to collaborate directly with each area agency on aging  
4 and any other organizations that provide senior nutrition services  
5 to secure the food access of vulnerable seniors.

6           Sec. 1403. (1) By February 1 of the current fiscal year, the  
7 aging and adult services agency shall require each region to report  
8 to the aging and adult services agency and to the legislature home-  
9 delivered meals waiting lists based upon standard criteria.

10 Determining criteria shall include all of the following:

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

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

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

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

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

21           Sec. 1417. The department shall provide to the senate and  
22 house appropriations subcommittees on the department budget, senate  
23 and house fiscal agencies, and state budget director a report by  
24 March 30 of the current fiscal year that contains all of the  
25 following:

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

1 (b) Detail expenditure by each area agency on aging by  
2 individual program and administration including both state-funded  
3 resources and locally-funded resources.

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

7 Sec. 1422. (1) From the funds appropriated in part 1 for aging  
8 and adult services administration, not less than \$300,000.00 shall  
9 be allocated for the department to contract with the Prosecuting  
10 Attorneys Association of Michigan to provide the support and  
11 services necessary to increase the capability of the state's  
12 prosecutors, adult protective service system, and criminal justice  
13 system to effectively identify, investigate, and prosecute elder  
14 abuse and financial exploitation.

15 (2) By March 1 of the current fiscal year, the Prosecuting  
16 Attorneys Association of Michigan shall provide a report on the  
17 efficacy of the contract to the state budget office, the house and  
18 senate appropriations subcommittees on the department budget, the  
19 house and senate fiscal agencies, and the house and senate policy  
20 offices.

21 Sec. 1424. From the funds appropriated in part 1 for community  
22 services, \$150,000.00 is appropriated for Alzheimer's disease  
23 services and shall be remitted to the Alzheimer's association-  
24 Michigan chapters for the purpose of carrying out a pilot project  
25 in Macomb, Monroe, and St. Joseph Counties. The fiduciary for the  
26 funds is the Alzheimer's association-greater Michigan chapter. The  
27 Alzheimer's association shall provide enhanced services, including

1 24/7 helpline, continued care consultation, and support groups, to  
2 individuals with Alzheimer's disease or dementia and their families  
3 in the 3 counties, and partner with a Michigan public university to  
4 study whether provision of such in-home support services  
5 significantly delays the need for residential long-term care  
6 services for individuals with Alzheimer's disease or dementia. The  
7 study must also consider potential cost savings related to the  
8 delay of long-term care services, if a delay is shown.

9       Sec. 1425. The department shall coordinate with the department  
10 of licensing and regulatory affairs to ensure that, upon receipt of  
11 the order of suspension of a licensed adult foster care home, home  
12 for the aged, or nursing home, the department of licensing and  
13 regulatory affairs shall provide notice to the department and to  
14 the house and senate appropriations subcommittees on the department  
15 budget.

#### 16 **MEDICAL SERVICES ADMINISTRATION**

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

23       (a) The purpose of the project to be carried forward is to  
24 implement the Medicaid electronic health record program that  
25 provides financial incentive payments to Medicaid health care  
26 providers to encourage the adoption and meaningful use of

1 electronic health records to improve quality, increase efficiency,  
2 and promote safety.

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

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

7 (d) The tentative completion date for the work project is  
8 September 30, 2021.

9 Sec. 1502. The department shall spend available work project  
10 revenue and any associated federal match to create and develop a  
11 transparency database website. This funding is contingent upon  
12 enactment of enabling legislation.

13 Sec. 1503. From the funds appropriated in part 1 for Healthy  
14 Michigan plan administration, the department shall maintain an  
15 accounting structure within the Michigan administrative information  
16 network that will allow expenditures associated with the  
17 administration of the Healthy Michigan plan to be identified.

18 Sec. 1505. By March 1 and September 1 of the current fiscal  
19 year, the department shall submit a report to the senate and house  
20 appropriations subcommittees on the department budget, the senate  
21 and house fiscal agencies, and the state budget office including  
22 both of the following:

23 (a) The department's projected annual increase in  
24 reimbursement savings and cost offsets that will result from the  
25 funds appropriated in part 1 for the office of inspector general  
26 and third party liability efforts.

27 (b) The actual increase in reimbursement savings and cost

1 offsets that have resulted from the funds appropriated in part 1  
2 for the office of inspector general and third party liability  
3 efforts.

4 Sec. 1506. The department shall submit to the senate and house  
5 appropriations subcommittees on the department budget, the senate  
6 and house fiscal agencies, the senate and house policy offices, and  
7 the state budget office a quarterly report on the implementation  
8 status of the public assistance call center that includes all of  
9 the following information:

10 (a) Call volume during the prior quarter.

11 (b) Percentage of calls resolved through the public assistance  
12 call center.

13 (c) Percentage of calls transferred to a local department  
14 office or other office for resolution.

15 (d) Number of Medicaid applications completed by the public  
16 assistance call center staff and submitted on behalf of clients.

17 Sec. 1507. (1) From the funds appropriated in part 1 for  
18 technology supporting integrated service delivery, the department  
19 shall establish new information technology tools and enhance  
20 existing systems to improve the eligibility and enrollment process  
21 for citizens accessing department administered programs. This  
22 information technology system will consolidate beneficiary  
23 information, support department caseworker efforts in building a  
24 success plan for beneficiaries, and better support department staff  
25 in supporting enrollees in assistance programs.

26 (2) Outcomes and performance measures for the initiative under  
27 subsection (1) include, but are not limited to, the following:

1 (a) Successful consolidation of data warehouses maintained by  
2 the department.

3 (b) The amount of time a department caseworker devotes to data  
4 entry when initiating an enrollee application.

5 (c) A reduction in wait times for persons enrolled in  
6 assistance programs to speak with department staff and get  
7 necessary changes made.

8 (d) A reduction in department caseworker workload.

9 **MEDICAL SERVICES**

10 Sec. 1601. The cost of remedial services incurred by residents  
11 of licensed adult foster care homes and licensed homes for the aged  
12 shall be used in determining financial eligibility for the  
13 medically needy. Remedial services include basic self-care and  
14 rehabilitation training for a resident.

15 Sec. 1603. (1) The department may establish a program for  
16 individuals to purchase medical coverage at a rate determined by  
17 the department.

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

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

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



1           Sec. 1606. For the purpose of guardian and conservator  
2 charges, the department may deduct up to \$83.00 per month as an  
3 allowable expense against a recipient's income when determining  
4 medical services eligibility and patient pay amounts.

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

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

24           (3) In the event that an applicant, presumed to be eligible  
25 pursuant to subsection (1), is subsequently found to be ineligible,  
26 a Medicaid physician or managed care plan that has been providing  
27 pregnancy services to an applicant under this section is entitled

1 to reimbursement for those services until such time as they are  
2 notified by the department that the applicant was found to be  
3 ineligible for Medicaid.

4 (4) If the preponderance of evidence in an application  
5 indicates that the applicant is not eligible for Medicaid, the  
6 department shall refer that applicant to the nearest public health  
7 clinic or similar entity as a potential source for receiving  
8 pregnancy-related services.

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

12 (6) The department shall mandate enrollment of women, whose  
13 qualifying condition is pregnancy, into Medicaid managed care  
14 plans.

15 (7) The department shall encourage physicians to provide  
16 women, whose qualifying condition for Medicaid is pregnancy, with a  
17 referral to a Medicaid participating dentist at the first  
18 pregnancy-related appointment.

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

1 affect the level of payment from a third-party source other than  
2 the medical services program. The department shall require a  
3 nonenrolled provider to accept medical services payments as payment  
4 in full.

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

11 Sec. 1620. (1) According to the federal covered outpatient  
12 drug final rule with comment (CMS-2345-FC), the department shall  
13 establish a professional pharmaceutical dispensing fee for pharmacy  
14 benefits that are reimbursed on a fee-for-service basis. In  
15 establishing this fee, the department shall comply with federal law  
16 while taking into consideration the state's long-term financial  
17 exposure and Medicaid beneficiaries' access to care. The  
18 established fee shall not be lower than the amount in effect on  
19 October 1, 2015.

20 (2) The department shall require a prescription co-payment for  
21 Medicaid recipients not enrolled in the Healthy Michigan plan or  
22 with an income less than 100% of the federal poverty level of \$1.00  
23 for a generic drug and \$3.00 for a brand-name drug, except as  
24 prohibited by federal or state law or regulation.

25 (3) The department shall require a prescription co-payment for  
26 Medicaid recipients enrolled in the Healthy Michigan plan with an  
27 income of at least 100% of the federal poverty level of \$4.00 for a

1 generic drug and \$8.00 for a brand-name drug, except as prohibited  
2 by federal or state law or regulation.

3       Sec. 1629. The department shall utilize maximum allowable cost  
4 pricing for generic drugs that is based on wholesaler pricing to  
5 providers that is available from at least 2 wholesalers who deliver  
6 in this state.

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

11       (2) Except as otherwise prohibited by federal or state law or  
12 regulation, the department shall require Medicaid recipients not  
13 enrolled in the Healthy Michigan plan or with an income less than  
14 100% of the federal poverty level to pay not less than the  
15 following co-payments:

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

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

18       (c) Fifty dollars for the first day of an inpatient hospital  
19 stay.

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

21       (3) Except as otherwise prohibited by federal or state law or  
22 regulation, the department shall require Medicaid recipients  
23 enrolled in the Healthy Michigan plan with an income of at least  
24 100% of the federal poverty level to pay the following co-payments:

25       (a) Four dollars for a physician office visit.

26       (b) Eight dollars for a hospital emergency room visit.

27       (c) One hundred dollars for the first day of an inpatient

1 hospital stay.

2 (d) Four dollars for an outpatient hospital visit or any other  
3 medical provider visit to the extent allowed by federal or state  
4 law or regulation.

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

9 Sec. 1645. The department shall consider using the most recent  
10 3 years of actual days of care provided, as reported in the annual  
11 cost reports, for the purpose of establishing the nursing facility  
12 quality assurance assessment fee. For any year in which the  
13 estimated days of care compared to the actual days of care provided  
14 by each nursing home and hospital long-term care unit creates an  
15 aggregate overpayment of \$1,000,000.00 or more as a result of the  
16 nursing facility quality assurance assessment fee, the department  
17 shall report the excess assessed amount to the senate and house  
18 appropriation subcommittees on the department budget, the senate  
19 and house fiscal agencies, and the state budget office. By April 1  
20 of the current fiscal year, the department shall report on  
21 feasibility of creating a more accurate formula for next year's  
22 assessment and a recommendation if a refund can or cannot be made  
23 to the senate and house appropriation subcommittees on the  
24 department budget, the senate and house fiscal agencies, and the  
25 state budget office.

26 Sec. 1657. (1) Reimbursement for medical services to screen  
27 and stabilize a Medicaid recipient, including stabilization of a

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

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

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

14 Sec. 1659. The following sections of this part are the only  
15 ones that shall apply to the following Medicaid managed care  
16 programs, including the comprehensive plan, MIChoice long-term care  
17 plan, and the mental health, substance use disorder, and  
18 developmentally disabled services program: 904, 911, 918, 920, 928,  
19 942, 994, 1008, 1607, 1657, 1662, 1699, 1700, 1702, 1704, 1764,  
20 1806, 1809, 1810, 1820, 1850, 1875, 1882, and 1888.

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

26 (2) The department shall require Medicaid HMOs to provide  
27 EPSDT utilization data through the encounter data system, and HEDIS

1 well child health measures in accordance with the National  
2 Committee for Quality Assurance prescribed methodology.

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

10 Sec. 1670. (1) The appropriation in part 1 for the MIChild  
11 program is to be used to provide comprehensive health care to all  
12 children under age 19 who reside in families with income at or  
13 below 212% of the federal poverty level, who are uninsured and have  
14 not had coverage by other comprehensive health insurance within 6  
15 months of making application for MIChild benefits, and who are  
16 residents of this state. The department shall develop detailed  
17 eligibility criteria through the medical services administration  
18 public concurrence process, consistent with the provisions of this  
19 part and part 1.

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 state  
25 plan.

26 (3) To be eligible for the MIChild program, a child must be  
27 residing in a family with an adjusted gross income of less than or

1 equal to 212% of the federal poverty level. The department's  
2 verification policy shall be used to determine eligibility.

3 (4) The department may make payments on behalf of children  
4 enrolled in the MICHild program as described in the MICHild state  
5 plan approved by the United States Department of Health and Human  
6 Services, or from other medical services.

7 Sec. 1673. The department may establish premiums for MICHild  
8 eligible individuals in families with income at or below 212% of  
9 the federal poverty level. The monthly premiums shall be \$10.00 per  
10 month.

11 Sec. 1677. The MICHild program shall provide, at a minimum,  
12 all benefits available under the Michigan benchmark plan that are  
13 delivered through contracted providers and consistent with federal  
14 law, including, but not limited to, the following medically  
15 necessary services:

16 (a) Inpatient mental health services, other than substance use  
17 disorder treatment services, including services furnished in a  
18 state-operated mental hospital and residential or other 24-hour  
19 therapeutically planned structured services.

20 (b) Outpatient mental health services, other than substance  
21 use disorder services, including services furnished in a state-  
22 operated mental hospital and community-based services.

23 (c) Durable medical equipment and prosthetic and orthotic  
24 devices.

25 (d) Dental services as outlined in the approved MICHild state  
26 plan.

27 (e) Substance use disorder treatment services that may include



1 inpatient, outpatient, and residential substance use disorder  
2 treatment services.

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

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

6 (h) Emergency ambulance services.

7 Sec. 1682. (1) In addition to the appropriations in part 1,  
8 the department is authorized to receive and spend penalty money  
9 received as the result of noncompliance with medical services  
10 certification regulations. Penalty money, characterized as private  
11 funds, received by the department shall increase authorizations and  
12 allotments in the long-term care accounts.

13 (2) Any unexpended penalty money, at the end of the year,  
14 shall carry forward to the following year.

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

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

27 (a) Finance activities within the medical services

1 administration related to this project.

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

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

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

13 Sec. 1694. From the funds appropriated in part 1 for special  
14 Medicaid reimbursement, \$386,700.00 of general fund/general purpose  
15 revenue and any associated federal match shall be distributed for  
16 poison control services to an academic health care system that  
17 includes a children's hospital that has a high indigent care  
18 volume.

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

26 (2) The department shall allocate \$45,000,000.00 in DSH  
27 funding using the distribution methodology used in fiscal year

1 2003-2004.

2       Sec. 1700. (1) By December 1 of the current fiscal year, the  
3 department shall report to the senate and house appropriations  
4 subcommittees on the department budget, the senate and house fiscal  
5 agencies, and the state budget office on the distribution of  
6 funding provided, and the net benefit if the special hospital  
7 payment is not financed with general fund/general purpose revenue,  
8 to each eligible hospital during the previous fiscal year from the  
9 following special hospital payments:

10       (a) DSH, separated out by unique DSH pool.

11       (b) GME.

12       (c) Special rural hospital payments provided under section  
13 1866.

14       (d) Lump-sum payments to rural hospitals for obstetrical care  
15 provided under section 1802.

16       (2) By May 1 of the current fiscal year, the department shall  
17 report to the senate and house appropriations subcommittees on the  
18 department budget, the senate and house fiscal agencies, and the  
19 state budget office on the projected distribution of funding, and  
20 the projected net benefit if the special hospital payment is not  
21 financed with general fund/general purpose revenue, to each  
22 eligible hospital from the following special hospital payments:

23       (a) DSH, separated out by unique DSH pool.

24       (b) GME.

25       (c) Special rural hospital payments provided under section  
26 1866.

27       (d) Lump-sum payments to rural hospitals for obstetrical care

1 provided under section 1802.

2       Sec. 1701. The department shall consider implementing a direct  
3 primary care pilot program for Medicaid enrollees. Each Medicaid  
4 enrollee who participates in the pilot program shall be enrolled in  
5 a direct primary care provider plan that is under contract with 1  
6 or more Medicaid managed care health plans. Outcomes and  
7 performance measures for the direct primary care pilot program  
8 include, but are not limited to, the following:

9       (a) The number of enrollees in the pilot program by Medicaid  
10 eligibility category.

11       (b) Direct primary care cost per enrollee.

12       (c) Other Medicaid managed care cost savings generated from  
13 direct primary care.

14       Sec. 1702. From the funds appropriated in part 1, the  
15 department shall provide a 15% rate increase for private duty  
16 nursing services for Medicaid beneficiaries under the age of 21.  
17 These additional funds must be used to attract and retain highly  
18 qualified registered nurses and licensed practical nurses to  
19 provide private duty nursing services so that medically frail  
20 children can be cared for in the most homelike setting possible.

21       Sec. 1704. (1) From the funds appropriated in part 1 for  
22 dental services, the department shall allocate \$2,726,000.00 to  
23 support the enhancement of the Medicaid adult dental benefit for  
24 pregnant women enrolled in a Medicaid program.

25       (2) Outcomes and performance measures for the program change  
26 under this section include, but are not limited to, the following:

27       (a) The number of pregnant women enrolled in Medicaid who

1 visited a dentist over the prior year.

2 (b) The number of dentists statewide who participate in  
3 providing dental services to pregnant women enrolled in Medicaid.

4 Sec. 1705. By March 1 of the current fiscal year, the  
5 department shall provide to the senate and house appropriation  
6 subcommittees on the department budget, the senate and house fiscal  
7 agencies, and the state budget office a report to evaluate the  
8 various reimbursement rates provided to ambulatory surgical  
9 centers, to explain why any differences in reimbursement rates  
10 exist, and to recommend any changes to the reimbursement rates.

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

18 Sec. 1730. (1) The department shall work with the department  
19 of education to evaluate the feasibility of including an assessment  
20 tool to promote literacy development of pregnant women and new  
21 mothers in the maternal infant health program.

22 (2) By March 1 of the current fiscal year, the department  
23 shall provide a report to the house and senate appropriations  
24 subcommittees on the department budget, the house and senate fiscal  
25 agencies, and the state budget office on the findings of the  
26 feasibility study on including an assessment tool to promote  
27 literacy development of pregnant women and new mothers in the

1 maternal infant health program.

2       Sec. 1757. The department shall obtain proof from all Medicaid  
3 recipients that they are legal United States citizens or otherwise  
4 legally residing in this country and that they are residents of  
5 this state before approving Medicaid eligibility.

6       Sec. 1764. The department shall annually certify whether rates  
7 paid to Medicaid health plans and specialty PIHPs are actuarially  
8 sound in accordance with federal requirements and shall provide a  
9 copy of the rate certification and approval of rates paid to  
10 Medicaid health plans and specialty PIHPs within 5 business days  
11 after certification or approval to the senate and house  
12 appropriations subcommittees on the department budget, the senate  
13 and house fiscal agencies, and the state budget office. When  
14 calculating the annual actuarial soundness adjustment, the  
15 department shall take into account all Medicaid policy bulletins  
16 affecting Medicaid health plans or specialty PIHPs issued after the  
17 most recent actuarial soundness process concluded.

18       Sec. 1775. (1) By March 1 and September 1 of the current  
19 fiscal year, the department shall report to the senate and house  
20 appropriations subcommittees on the department budget, the senate  
21 and house fiscal agencies, and the state budget office on progress  
22 in implementing the waiver to implement managed care for  
23 individuals who are eligible for both Medicare and Medicaid, known  
24 as MI Health Link, including, but not limited to, a description of  
25 how the department intends to ensure that service delivery is  
26 integrated, how key components of the proposal are implemented  
27 effectively, and any problems and potential solutions as identified

1 by the ombudsman described in subsection (2).

2 (2) The department shall ensure the existence of an ombudsman  
3 program that is not associated with any project service manager or  
4 provider to assist MI Health Link beneficiaries with navigating  
5 complaint and dispute resolution mechanisms and to identify  
6 problems in the demonstrations and in the complaint and dispute  
7 resolution mechanisms.

8 Sec. 1782. Subject to federal approval, from the funds  
9 appropriated in part 1 for health plan services, the department  
10 shall allocate \$500,000.00 general fund/general purpose plus any  
11 available work project funds and federal match to the Medicaid  
12 health plans through a capitation rate increase for children. This  
13 rate increase shall be used to support a statewide media campaign  
14 for improving this state's immunization rates.

15 Sec. 1800. For the distribution of each of the pools within  
16 the \$85,000,000.00 outpatient disproportionate share hospital  
17 payment, the department shall develop a formula for the  
18 distribution of each pool based on the quality of care, cost,  
19 traditional disproportionate share hospital factors such as  
20 Medicaid utilization and uncompensated care, and any other factor  
21 that the department determines should be considered.

22 Sec. 1801. (1) From the funds appropriated in part 1 for  
23 physician services and health plan services, the department shall  
24 continue the increase to Medicaid rates for primary care services  
25 provided only by primary care providers. For the purpose of this  
26 section, a primary care provider is a physician, or a practitioner  
27 working under the personal supervision of a physician, who is

1 board-eligible or certified with a specialty designation of family  
2 medicine, general internal medicine, or pediatric medicine, or a  
3 provider who provides the department with documentation of  
4 equivalency. Providers performing a service and whose primary  
5 practice is as a non-primary-care subspecialty is not eligible for  
6 the increase. The department shall establish policies that most  
7 effectively limit the increase to primary care providers for  
8 primary care services only.

9 (2) The department shall report by March 1 of the current  
10 fiscal year to the senate and house subcommittees on the department  
11 budget, the senate and house fiscal agencies, the senate and house  
12 policy offices, and the state budget office the following:

13 (a) A list of medical specialties and licensed providers that  
14 were paid enhanced primary care rates in fiscal year 2014-2015.

15 (b) Information on the geographic distribution of specialists  
16 who received enhanced rates in fiscal year 2014-2015.

17 Sec. 1802. From the funds appropriated in part 1, a lump-sum  
18 payment shall be made to hospitals that qualified for rural  
19 hospital access payments in fiscal year 2013-2014 and that provide  
20 obstetrical care in the current fiscal year. The payment shall be  
21 calculated as \$830.00 for each obstetrical care case payment and  
22 each newborn care case payment for all such cases billed by the  
23 qualified hospitals for fiscal year 2012-2013 and shall be paid  
24 through the Medicaid health plan hospital rate adjustment process  
25 by January 1 of the current fiscal year.

26 Sec. 1804. The department, in cooperation with the department  
27 of military and veterans affairs, shall work with the federal



1 public assistance reporting information system to identify Medicaid  
2 recipients who are veterans and who may be eligible for federal  
3 veterans health care benefits or other benefits.

4       Sec. 1805. Hospitals receiving medical services payments for  
5 graduate medical education shall submit fully completed quality  
6 data to a nonprofit organization with extensive experience in  
7 collecting and reporting hospital quality data on a public website.  
8 The reporting must utilize consensus-based nationally endorsed  
9 standards that meet National Quality Forum-endorsed safe practices.  
10 The organization collecting the data must be an organization that  
11 uses severity-adjusted risk models and measures that will help  
12 patients and payers identify hospital campuses likely to have  
13 superior outcomes. The public website shall provide information to  
14 allow consumers to compare safe practices by hospital campus,  
15 including, but not limited to, perinatal care, hospital-acquired  
16 infection, and serious reportable events. Hospitals receiving  
17 medical services payments for graduate medical education shall also  
18 make their fully completed quality data available on the hospital's  
19 website.

20       Sec. 1806. (1) The department may establish performance  
21 standards to measure progress in the implementation of the common  
22 formulary used by all contracted Medicaid health plans.

23       (2) The ongoing implementation of the common formulary must  
24 include consideration of the department's preferred drug list.

25       (3) To achieve the objective of low net cost, the contracted  
26 health plans may use evidence-based utilization management  
27 techniques in the implementation of the common formulary.

1           (4) The contracted health plans and the department shall  
2 continue to facilitate and emphasize the value of increased  
3 participation in the use of e-prescribing and electronic medical  
4 records.

5           Sec. 1809. The department shall establish separate contract  
6 performance standards for Medicaid health plans that adhere to the  
7 requirements of section 105d of the social welfare act, 1939 PA  
8 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation  
9 withhold. The determination of the performance of the 0.75%  
10 capitation withhold is at the discretion of the department but must  
11 include recognized concepts such as 1-year continuous enrollment  
12 and the HEDIS audited data. The determination of the performance of  
13 the 0.25% capitation withhold is at the discretion of the  
14 department but must include the utilization of high-value services  
15 and discouraging the utilization of low-value services.

16           Sec. 1810. The department shall enhance encounter data  
17 reporting processes and develop rules that would make each health  
18 plan's encounter data as complete as possible, provide a fair  
19 measure of acuity for each health plan's enrolled population for  
20 risk adjustment purposes, capitation rate setting, diagnosis-  
21 related group rate setting, and research and analysis of program  
22 efficiencies while minimizing health plan administrative expense.

23           Sec. 1812. (1) By June 1 of the current fiscal year, and using  
24 the most recent available cost reports, the department shall  
25 complete a report of all direct and indirect costs associated with  
26 residency training programs for each hospital that receives funds  
27 appropriated in part 1 for graduate medical education. The report

1 shall be submitted to the house and senate appropriations  
2 subcommittees on the department budget, the house and senate fiscal  
3 agencies, and the state budget office.

4 (2) By August 1 of the current fiscal year, the department  
5 shall develop a template for hospitals receiving funds appropriated  
6 in part 1 for graduate medical education to report the following in  
7 a standard format:

8 (a) The marginal cost to add 1 additional residency training  
9 program slot.

10 (b) The number of additional slots that would result in the  
11 need to add additional administrative costs to oversee the  
12 residents in the training program.

13 (c) The postresidency retention rate for the residency  
14 training program.

15 (3) The department shall convene a workgroup to use the  
16 reports submitted under subsections (1) and (2) to assist in the  
17 development of metrics for distribution of graduate medical  
18 education funds and shall report to the senate and house  
19 appropriations subcommittees on the department budget and the  
20 senate and house fiscal agencies on the results of the workgroup by  
21 September 30 of the current fiscal year. It is the intent of the  
22 legislature that, beginning with the budget for the fiscal year  
23 ending September 30, 2018, the metrics developed by this workgroup  
24 be used to determine the distribution of funds for graduate medical  
25 education.

26 (4) If needed, the department shall seek a federal waiver to  
27 fulfill the requirements of this section.

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

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

10           (3) As used in this section, "national accrediting entity"  
11 means the National Committee for Quality Assurance, the URAC,  
12 formerly known as the Utilization Review Accreditation Commission,  
13 or other appropriate entity, as approved by the department.

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

19           Sec. 1837. The department shall continue, and expand where  
20 appropriate, utilization of telemedicine and telepsychiatry as  
21 strategies to increase access to services for Medicaid recipients  
22 in medically underserved areas.

23           Sec. 1846. From the funds appropriated in part 1 for graduate  
24 medical education, the department shall distribute the funds with  
25 an emphasis on the following health care workforce goals:

26           (a) The encouragement of the training of physicians in  
27 specialties, including primary care, that are necessary to meet the

1 future needs of residents of this state.

2 (b) The training of physicians in settings that include  
3 ambulatory sites and rural locations.

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

11 Sec. 1861. The department shall encourage cooperation between  
12 the Medicaid managed care health plans, other health providers, and  
13 nonprofit entities to continue the facilitation of a pilot  
14 nonemergency transportation system.

15 Sec. 1862. From the funds appropriated in part 1, the  
16 department shall maintain payment rates for Medicaid obstetrical  
17 services at 95% of Medicare levels effective October 1, 2014.

18 Sec. 1866. (1) From the funds appropriated in part 1 for  
19 hospital services and therapy and health plan services,  
20 \$12,000,000.00 in general fund/general purpose revenue and any  
21 associated federal match shall be awarded to hospitals that meet  
22 criteria established by the department for services to low-income  
23 rural residents. One of the reimbursement components of the  
24 distribution formula shall be assistance with labor and delivery  
25 services.

26 (2) No hospital or hospital system shall receive more than  
27 10.0% of the total funding referenced in subsection (1).

1           (3) To allow hospitals to understand their rural payment  
2 amounts under this section, the department shall provide hospitals  
3 with the methodology for distribution under this section and  
4 provide each hospital with its applicable data that are used to  
5 determine the payment amounts by August 1 of the current fiscal  
6 year. The department shall publish the distribution of payments for  
7 the current fiscal year and the immediately preceding fiscal year.

8           Sec. 1870. The department shall continue to work with the  
9 MiDocs consortium to explore alternative graduate medical education  
10 financing sources and mechanisms that expand residency  
11 opportunities for primary care training, per approval from the  
12 Centers for Medicare and Medicaid Services. By December 1 of the  
13 current fiscal year, the MiDocs consortium shall submit a report  
14 presenting a comprehensive funding plan to the senate and house  
15 appropriations subcommittees on the department budget and the  
16 senate and house fiscal agencies.

17           Sec. 1873. From the funds appropriated in part 1 for long-term  
18 care services, the department may allocate up to \$3,700,000.00 for  
19 the purpose of outreach and education to nursing home residents and  
20 the coordination of housing in order to move out of the facility.  
21 In addition, any funds appropriated shall be used for other quality  
22 improvement activities of the program. The department shall  
23 consider working with the Area Agencies on Aging Association of  
24 Michigan, the non-Area Agencies on Aging waivers, and the  
25 Disability Network/Michigan to develop a plan for the ongoing  
26 sustainability of the nursing facility transition initiative.

27           Sec. 1874. (1) The department shall ensure, in counties where

1 program of all-inclusive care for the elderly or PACE services are  
2 available, that the program of all-inclusive care for the elderly  
3 (PACE) is included as an option in all options counseling and  
4 enrollment brokering for aging services and managed care programs,  
5 including, but not limited to, Area Agencies on Aging, centers for  
6 independent living, and the MiChoice home and community-based  
7 waiver. Such options counseling must include approved marketing and  
8 discussion materials.

9 (2) The department shall establish a workgroup that consists  
10 of the independent waiver agents, the medical services  
11 administration, and PACE providers, to address PACE program issues  
12 as identified within the state contract with PACE providers. The  
13 workgroup shall, at a minimum, address the following concerns:

14 (a) Timely eligibility processing.

15 (b) Barriers to new enrollment.

16 (c) Future expansion criteria.

17 (3) The department shall report by April 1 of the current  
18 fiscal year to the senate and house appropriations subcommittees on  
19 the department budget, the senate and house fiscal agencies, and  
20 the state budget office on the findings of the workgroup.

21 Sec. 1875. (1) The department and its contractual agents may  
22 not subject Medicaid prescriptions to prior authorization  
23 procedures during the current fiscal year if that drug is carved  
24 out or is not subject to prior authorization procedures as of May  
25 9, 2016, and is generally recognized in a standard medical  
26 reference or the American Psychiatric Association's Diagnostic and  
27 Statistical Manual for the Treatment of a Psychiatric Disorder.

1           (2) The department and its contractual agents may not subject  
2 Medicaid prescriptions to prior authorization procedures during the  
3 current fiscal year if that drug is carved out or is not subject to  
4 prior authorization procedures as of May 9, 2016 and is a  
5 prescription drug that is generally recognized in a standard  
6 medical reference for the treatment of epilepsy or seizure disorder  
7 or organ replacement therapy.

8           (3) As used in this section, "prior authorization" means a  
9 process implemented by the department or its contractual agents  
10 that conditions, delays, or denies delivery or particular pharmacy  
11 services to Medicaid beneficiaries upon application of  
12 predetermined criteria by the department or its contractual agents  
13 to those pharmacy services. The process of prior authorization  
14 often requires that a prescriber do 1 or both of the following:

15           (a) Obtain preapproval from the department or its contractual  
16 agents before prescribing a given drug.

17           (b) Verify to the department or its contractual agents that  
18 the use of a drug prescribed for an individual meets predetermined  
19 criteria from the department or its contractual agents for a  
20 prescription drug that is otherwise available under the Medicaid  
21 program in this state.

22           Sec. 1876. (1) From the funds appropriated in part 1 for  
23 Healthy Michigan Plan, the department shall allocate up to  
24 \$830,000.00 to facilitate the development and implementation of a  
25 demonstration project in cooperation with 1 or more contracting  
26 Medicaid health plans. These provisions shall be part of the  
27 protocol for implementation of incentives under the Healthy



1 Michigan Plan and must do all of the following:

2 (a) Target Healthy Michigan Plan health plan enrollees who are  
3 above 100% of the federal poverty level, in at least 2 prosperity  
4 regions.

5 (b) Implement a web-based technology that links providers,  
6 beneficiaries, and health plans, in real-time, for the purpose of  
7 addressing deficiency in medical literacy and demonstrating that  
8 personal responsibility is enhanced by technology.

9 (c) Identify specific behavioral changes that will result as  
10 indicated by changes in measurable health outcomes and health care  
11 utilization.

12 (2) The demonstration project shall be implemented by April 1  
13 of the current fiscal year. Prior to implementation, the department  
14 shall present a summary description to the senate and house  
15 appropriations subcommittees on the department budget and the  
16 senate and house committees on health policy that must include the  
17 estimated cost of the demonstration, identify a shared savings  
18 proposal for Medicaid health plans who participate in the  
19 demonstration, and identify intended measurable results.

20 (3) It is the intent of the legislature that the demonstration  
21 project shall test the cost containment capabilities of a program  
22 that uses financial incentives to improve health and health care by  
23 promoting health literacy and doctor-patient mutual accountability.  
24 Outcomes and performance measures for this initiative shall  
25 include, but are not limited to, the following:

26 (a) The total annual per capita or per-member-per-year health  
27 care expenditures. This metric shall be derived by dividing the

1 total annual health care expenditures of a population by the  
2 average annual number of people in that population. Claims data  
3 shall be used to compute health care expenditures.

4 (b) The per-member-per-year health care expenditures of a  
5 reasonably matched population not covered by the demonstration  
6 program. To account for minor differences in the 2 populations,  
7 each group's annual trend during the pilot shall be measured  
8 against their respective baseline trends in the year before  
9 implementing the program.

10 (c) In order to attribute the finding to the program, other  
11 process metrics that have been found to correlate with health  
12 literacy must be analyzed. These metrics may include  
13 hospitalization rates, frequency of emergency room use, and the  
14 percentage of health education sessions prescribed by medical  
15 providers and successfully completed by patients relative to the  
16 total number of possible session opportunities offered through the  
17 program.

18 (4) It is the intent of the legislature that, beginning with  
19 the budget for the fiscal year ending September 30, 2018, the  
20 department shall submit quarterly reports to the senate and house  
21 appropriations committees on the department budget, the senate and  
22 house fiscal agencies, the senate and house policy offices, and the  
23 state budget office detailing the information required in  
24 subsection (3).

25 Sec. 1877. The department shall evaluate and report to the  
26 house and senate appropriations subcommittees on the department  
27 budget on how the Healthy Michigan plan has contributed to

1 assisting individuals in utilizing high-value services, minimized  
2 the use of low-value services, and how individuals' lives may be  
3 improving as a result of their access to services provided through  
4 the Healthy Michigan plan.

5       Sec. 1878. Not later than March 1 of the current fiscal year,  
6 the department shall provide a report to the senate and house  
7 appropriations subcommittees on the department budget, the senate  
8 and house fiscal agencies, the senate and house policy offices, and  
9 the state budget office on hepatitis C tracking data. At a minimum,  
10 the report shall include information on the following for  
11 individuals treated with Harvoni or any other treatment used to  
12 cure hepatitis C during the current fiscal year or a previous  
13 fiscal year:

14       (a) The total number of people treated broken down by those  
15 treated through traditional Medicaid and those treated through the  
16 Healthy Michigan plan.

17       (b) The total cost of treatment.

18       (c) The total cost of treatment broken down by those treated  
19 through traditional Medicaid and those treated through the Healthy  
20 Michigan plan.

21       (d) The total amount of any rebates that were received from  
22 the purchase of hepatitis C specialty pharmaceuticals.

23       (e) Outstanding rebates that the department is expecting to  
24 receive.

25       (f) The cure rate broken down by Metavir Score, genotype,  
26 Medicaid match rate, and drug used during treatment.

27       (g) The reinfection rate broken down by Metavir Score,

1 genotype, Medicaid match rate, and drug used during treatment.

2       Sec. 1882. By December 31, 2016, the department shall report  
3 to the senate and house appropriations subcommittees on the  
4 department budget, the senate and house fiscal agencies, and the  
5 state budget office, documentation of the expenses incurred during  
6 the immediate preceding fiscal year by Medicaid health plans and  
7 PIHPs for the purpose of meeting the contractual requirements to  
8 join the Michigan Health Information Network Shared Services and  
9 incentivizing providers to become members of the Health Information  
10 Exchange Qualified Organization. The report should also include an  
11 estimation of the expenses to be incurred in the current fiscal  
12 year by Medicaid health plans and PIHPs for the same purpose of  
13 meeting their contractual obligations.

14       Sec. 1888. The department shall establish contract performance  
15 standards associated with the capitation withhold provisions for  
16 Medicaid health plans at least 3 months in advance of the  
17 implementation of those standards. The determination of whether  
18 performance standards have been met shall be based primarily on  
19 recognized concepts such as 1-year continuous enrollment and the  
20 healthcare effectiveness data and information set, HEDIS, audited  
21 data.

22       Sec. 1890. From the funds appropriated in part 1 for  
23 pharmaceutical services, the department shall ensure Medicaid  
24 recipients' access to breast pumps to support and encourage  
25 breastfeeding. The department shall adjust Medicaid policy to, at a  
26 minimum, provide an individual double electric style pump to a  
27 breastfeeding mother when a physician prescribes such a device

1 based on diagnosis of mother or infant. If the distribution method  
2 for pumps or other equipment is a department contract with durable  
3 medical equipment providers, the department shall guarantee  
4 providers stock and rent to Medicaid recipients without delay or  
5 undue restriction.

6 Sec. 1894. (1) From the funds appropriated in part 1 for  
7 dental services, the department shall expand the Healthy Kids  
8 Dental program to all eligible children in Kent, Oakland, and Wayne  
9 Counties. This program expansion will improve access to necessary  
10 dental services for Medicaid-enrolled children.

11 (2) Outcomes and performance measures for this initiative  
12 include, but are not limited to, the following:

13 (a) The number of Medicaid-enrolled children in Kent, Oakland,  
14 and Wayne Counties who visited the dentist over the prior year.

15 (b) The number of dentists in Kent, Oakland, and Wayne  
16 Counties who will accept Medicaid payment for services to children.

17 (c) The change in dental utilization in Kent, Oakland, and  
18 Wayne Counties before and after full implementation of the Healthy  
19 Kids Dental expansion in these counties.

20 Sec. 1899. From the funds appropriated in part 1 for personal  
21 care services, beginning October 1, 2016, the department shall  
22 increase the monthly Medicaid personal care supplement paid to  
23 adult foster care facilities and homes for the aged that provide  
24 personal care services to Medicaid beneficiaries by \$15.00.

25 **ONE-TIME BASIS ONLY APPROPRIATIONS**

26 Sec. 1908. The funds appropriated in part 1 for hospice

1 services shall be expended to provide room and board for Medicaid  
2 recipients who meet hospice eligibility requirements and receive  
3 services at Medicaid enrolled hospice residences in this state. The  
4 qualifying hospice residences must have been enrolled with Medicaid  
5 by October 1, 2014.

6       Sec. 1909. (1) From the increased funds appropriated in part 1  
7 for family preservation and support services, the department shall  
8 expand the parent partner program and the family reunification  
9 program. The purpose of these program expansions will be to enhance  
10 family preservation and support services to prevent the need for  
11 foster care, shorten the length of time between foster care entry  
12 and reunification, and sustain parental progress following  
13 reunification.

14       (2) The department shall identify specific outcomes and  
15 performance measures for this initiative, including, but not  
16 limited to, the following:

17       (a) Percentage of children that were discharged from foster  
18 care to reunification in less than 12 months from the date of the  
19 latest removal from home.

20       (b) Median length of stay in months from the date of the  
21 latest removal from home until the date of discharge to  
22 reunification.

23       (c) Percentage of children who reentered foster care in less  
24 than 12 months from the date of discharge to reunification.

25       (d) Percentage of children who were victims of a substantiated  
26 or indicated maltreatment allegation who were not victims of  
27 another substantiated or indicated maltreatment allegation within a

1 6-month period from the date of discharge to reunification.

2 (e) Measurable effects of this program expansion on reducing  
3 the rate of children who live in families with incomes below the  
4 federal poverty level.

5 (3) Unexpended funds appropriated in part 1 for family  
6 preservation and support services are designated as work project  
7 appropriations, and any unencumbered or unallotted funds shall not  
8 lapse at the end of the current fiscal year and shall be available  
9 for expenditures for the parent partner program and the family  
10 reunification program until the projects have been completed. All  
11 of the following are in compliance with section 451a of the  
12 management and budget act, 1984 PA 431, MCL 18.1451a:

13 (a) The purpose of the projects is to expand and enhance  
14 family preservation and support services to prevent the need for  
15 foster care, shorten the length of time between foster care entry  
16 and reunification, and sustain parental progress following  
17 reunification.

18 (b) The projects will be carried out through contracts with  
19 private and not-for-profit vendors to expand the parent partner  
20 program and family reunification program to additional counties  
21 throughout the state.

22 (c) The estimated cost of this work project is \$6,098,200.00.

23 (d) The estimated work project completion date is September  
24 30, 2019.

25 Sec. 1910. From the funds appropriated in part 1 for the  
26 drinking water declaration of emergency, the department shall  
27 allocate funds to address needs in a city in which a declaration of

1 emergency was issued because of drinking water contamination. These  
2 funds may support, but are not limited to, the following  
3 activities:

4 (a) Emergency nutrition assistance, nutritional and community  
5 education, food bank resources, and food inspections.

6 (b) Epidemiological analysis and case management of  
7 individuals at risk of elevated blood lead levels.

8 (c) Support for child and adolescent health centers,  
9 children's health care access program, and pathways to potential  
10 programming.

11 (d) Nursing services, evidence-based home visiting programs,  
12 intensive services, and outreach for children exposed to lead  
13 coordinated through local community mental health organizations.

14 (e) Department field operations costs.

15 (f) Assessment of potential linkages to other diseases.

16 Sec. 1912. From the funds appropriated in part 1 for mobile  
17 electronic service verification study, the department shall  
18 allocate \$25,000.00 to commission a study to review the outcomes  
19 and performance improvements of developing and piloting a mobile  
20 electronic service verification solution for home help services  
21 that shall include biometric identity verification to create  
22 administrative efficiencies, reduce error, and minimize fraud.

23 PART 2A  
24 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
25 FOR FISCAL YEAR 2017-2018



1 **GENERAL SECTIONS**

2           Sec. 2001. It is the intent of the legislature to provide  
3 appropriations for the fiscal year ending on September 30, 2018 for  
4 the line items listed in part 1. The fiscal year 2017-2018  
5 appropriations are anticipated to be the same as those for fiscal  
6 year 2016-2017, except that the line items will be adjusted for  
7 changes in caseload and related costs, federal fund match rates,  
8 economic factors, and available revenue. These adjustments will be  
9 determined after the January 2017 consensus revenue estimating  
10 conference.