

**Summary: Executive Budget Recommendation  
for Fiscal Years 2011-12 and 2012-13  
DEPARTMENT OF COMMUNITY HEALTH**



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	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 Executive	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$54,020,800	\$4,528,700	(\$49,492,100)	(91.6)	\$4,528,700	0	0
<b>Federal</b>							
<b>ARRA</b>	650,327,000	0	(650,327,000)	(100.0)	0	0	0
<b>Non-ARRA</b>	8,823,718,200	8,758,307,700	(65,410,500)	(0.7)	8,976,727,400	218,419,700	2.5
<b>Local</b>	235,104,200	248,557,800	13,453,600	5.7	250,359,100	1,801,300	0.7
<b>Private</b>	88,103,600	96,494,700	8,391,100	9.5	96,494,700	0	0
<b>Restricted</b>	1,851,347,100	2,156,335,200	304,988,100	16.5	2,154,682,400	(1,652,800)	(0.1)
<b>GF/GP</b>	2,421,483,700	2,701,084,900	279,601,200	11.6	2,930,413,700	229,328,800	8.5
<b>Gross</b>	<b>\$14,124,104,600</b>	<b>\$13,965,309,000</b>	<b>(\$158,795,600)</b>	<b>(1.1)</b>	<b>\$14,413,206,000</b>	<b>\$447,897,000</b>	<b>3.2</b>
<b>FTEs</b>	4,398.8	4,031.0	(367.8)	(8.4)	4,031.0	0.0	0

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act or related sources.

**Overview**

The Department of Community Health (DCH) budget provides funding for a wide range of mental health, substance abuse, public health, and medical services programs, including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health regulatory functions.

**Executive Part 1 Appropriations:** The Executive proposes to roll-up the budget into 6 appropriation line items, a reduction from 143 line items in the current year budget.

<b>Major Budget Changes From FY 2010-11 YTD Appropriations</b>		FY 2010-11 YTD (as of 2/17/11)	Executive Changes	
			FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$22,464,200</b>	<b>\$0</b>
Includes a net increase of \$22.5 million gross (\$10.3 million GF/GP) to finance economic adjustments for pension and retiree insurance (defined benefit and contribution), insurance, workers' compensation, building occupancy, and gas, fuel, and utility costs for FY 2011-12. Does not include economic adjustments for employees' salaries and wages and food provided to clients in state-operated facilities for individuals with mental illness and developmental disabilities.	IDG	N/A	35,700	0
	Federal	N/A	4,511,800	0
	Restricted	N/A	1,501,500	0
	Local	N/A	6,118,900	0
	Private	N/A	2,800	0
	GF/GP	N/A	\$10,293,500	\$0
<b>2. Retirement Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$5,024,300)</b>	<b>\$13,031,100</b>
Projects FY 2011-12 early retirement savings of \$5.0 million gross (\$3.5 million GF/GP). Proposes FY 2012-13 active and retiree insurance and pension adjustment of \$13.0 million gross (\$7.6 million GF/GP). Non-GF/GP fund sourcing is not yet available for FY 2012-13.	Federal	N/A	(899,100)	N/A
	Local	N/A	(607,800)	N/A
	GF/GP	N/A	(\$3,517,400)	\$7,619,900
<b>3. Community Health Automated Medical Processing System (CHAMPS) Funding</b>	<b>Gross</b>	<b>N/A</b>	<b>\$8,922,600</b>	<b>\$0</b>
Adds \$8.9 million gross (\$1.2 million GF/GP) for the Medicaid automated claims processing system, referred to as CHAMPS, to meet federal requirements for enhancements related to the Health Insurance Portability and Accountability Act (HIPAA).	Federal	N/A	7,768,000	0
	GF/GP	N/A	\$1,154,600	\$0

**Executive Changes**

<b>Major Budget Changes From FY 2010-11 YTD Appropriations</b>		<b>FY 2010-11 YTD (as of 2/17/11)</b>	<b>FY 2010-11 to FY 2011-12</b>	<b>FY 2011-12 to FY 2012-13</b>
<b>4. Actuarially Sound Capitation Payment Rates Adjustment</b>	<b>Gross</b>	<b>\$6,088,703,100</b>	<b>\$0</b>	<b>\$0</b>
Does not recommend actuarial soundness adjustments in FY 2011-12 for Health Plans and Prepaid Inpatient Health Plans as it has been determined, at this time, no funding adjustments are necessary to ensure capitation payment rates are actuarially sound. These types of adjustments have been included in the DCH budget since FY 2004-05.	Federal	4,004,215,300	0	0
	ARRA	328,031,800	0	0
	Restricted	971,718,500	0	0
	Local	34,887,900	0	0
	GF/GP	\$749,849,600	\$0	\$0
<b>5. Mental Health Services for Special Populations Program Reduction</b>	<b>Gross</b>	<b>\$6,873,800</b>	<b>(\$1,031,000)</b>	<b>\$0</b>
Reduces funding for mental health services for special populations and groups such as Chinese American, Asian American, Hispanics, Arab/Chaldean, ACCESS, Michigan Inter-Tribal Council, Jewish Federation, Chaldean Community Foundation, and Vietnam Veterans by \$1,031,000 GF/GP. This budgetary adjustment represents a 15.0% reduction from current funding for this program.	GF/GP	\$6,873,800	(\$1,031,000)	\$0
<b>6. Community Mental Health (CMH) Non-Medicaid Services and Administrative Reduction</b>	<b>Gross</b>	<b>\$282,275,100</b>	<b>(\$8,483,300)</b>	<b>\$0</b>
Reduces non-Medicaid services provided to persons with mental illness and developmental disabilities by community mental health services programs (CMHSPs) and related administrative costs by \$8.5 million GF/GP, a budgetary change which represents a 3.0% reduction from current funding for the CMH non-Medicaid line item.	GF/GP	\$282,275,100	(\$8,483,300)	\$0
<b>7. Substance Abuse Services and Administrative Funding</b>	<b>Gross</b>	<b>\$85,758,300</b>	<b>(\$1,377,200)</b>	<b>\$0</b>
Reduces administrative costs for coordinating agencies and reduces and/or eliminates funding for substance abuse service programs by \$1.4 million GF/GP. Included in this adjustment are the following: elimination of one-time funding of \$1.0 million GF/GP for a community health outreach program provided by Self-Help Addiction Rehabilitation (SHAR) Inc.; \$224,300 GF/GP reduction for the Substance Abuse State Disability Assistance Program; and administrative system savings of \$152,900 GF/GP for coordinating agencies.	Federal	65,893,900	0	0
	ARRA	277,700	0	0
	Restricted	3,051,100	0	0
	GF/GP	\$16,535,600	(\$1,377,200)	\$0
<b>8. Children's Waiver Home Care Program Reduction</b>	<b>Gross</b>	<b>\$21,049,800</b>	<b>(\$2,105,000)</b>	<b>\$0</b>
Includes a reduction of \$2,105,000 gross (\$712,800 GF/GP) for the Children's Waiver Home Care Program that provides home and community-based services for 464 eligible children with developmental disabilities.	Federal	14,361,800	(1,392,200)	0
	ARRA	1,066,000	0	0
	GF/GP	\$5,622,000	(\$712,800)	\$0
<b>9. Forensic Mental Health Services Provided to the Department of Corrections (DOC) Transfer</b>	FTE	396.3	(396.3)	0.0
Transfers almost 400 staff positions associated with \$50.5 million interdepartmental grant from the DOC as the Department of Community Health will no longer be responsible for providing mental health services to prisoners under the jurisdiction of DOC. Michigan's Mental Health Code allows DOC to contract with DCH or third-party providers to operate the mental health program.	<b>Gross</b>	<b>\$50,527,800</b>	<b>(\$50,527,800)</b>	<b>\$0</b>
	IDG	50,527,800	(50,527,800)	0
	GF/GP	\$0	\$0	\$0
<b>10. Criminal Background Check Program Funding</b>	FTE	5.5	(5.5)	0.0
Eliminates funding of \$2.7 million gross (\$2.2 million GF/GP) for the Criminal Background Check Program for employees of homes for the aged and adult foster care homes by assuming that these facilities will be required to pay the costs for this program. Statutory changes to the Public Health Code and Adult Foster Care Facility Licensing Act are required in order to realize the proposed savings.	<b>Gross</b>	<b>\$2,705,400</b>	<b>(\$2,705,400)</b>	<b>\$0</b>
	Federal	542,900	(542,900)	0
	GF/GP	\$2,162,500	(\$2,162,500)	\$0

<b>Major Budget Changes From FY 2010-11 YTD Appropriations</b>		<b>Executive Changes</b>			
		<b>FY 2010-11 YTD (as of 2/17/11)</b>	<b>FY 2010-11 to FY 2011-12</b>	<b>FY 2011-12 to FY 2012-13</b>	
<b>11. Health Facility Licensure Fees</b>		<b>Gross</b>	<b>\$21,322,200</b>	<b>\$817,900</b>	<b>\$0</b>
Assumes savings of \$4.4 million GF/GP by increasing the licensure fees for health facilities such as nursing homes, freestanding surgical outpatient facilities, and hospitals. Statutory changes to the Mental Health Code and Public Health Code are required in order to realize the proposed savings.		Federal	15,010,700	0	0
		Restricted	1,699,900	5,229,500	0
		Private	200,000	0	0
		GF/GP	\$4,411,600	(\$4,411,600)	\$0
<b>12. Essential Local Public Health Services Reduction</b>		<b>Gross</b>	<b>\$39,082,800</b>	<b>(\$1,696,700)</b>	<b>\$0</b>
Reduces GF/GP funding to the state's 45 local public health departments by \$1.7 million (5%), affecting most state and local cost-shared services: immunizations, infectious disease control, sexually transmitted disease control and prevention, food protection, public water supply, private groundwater supply, and on-site sewage management. Hearing and vision screening programs funded by this line item are not affected.		Local	5,150,000	0	0
		GF/GP	\$33,932,800	(\$1,696,700)	\$0
<b>13. Healthy Michigan Prevention Funding Reduction</b>		<b>Gross</b>	<b>\$33,981,700</b>	<b>(\$1,000,000)</b>	<b>\$0</b>
Shifts \$1.0 million of Healthy Michigan Fund allocations from public health cancer, smoking, and pregnancy prevention projects to Medicaid match, for GF/GP savings. Public health project allocations from the Fund are reduced to \$9.9 million. Medicaid program also receives \$194,200 in additional Fund revenue, for additional GF/GP savings. Healthy Michigan Fund appropriations total \$34.2 million.		Restricted	33,981,700	194,200	0
		GF/GP	\$0	(\$1,194,200)	\$0
<b>14. Public Health Laboratory Services and Facilities</b>		<b>Gross</b>	<b>\$250,000</b>	<b>(\$250,000)</b>	<b>\$0</b>
Eliminates final year funding of \$250,000 GF/GP for the Upper Peninsula regional public health laboratory in Houghton.		GF/GP	\$250,000	(\$250,000)	\$0
<b>15. Public Health and Family Health Grants</b>		<b>Gross</b>	<b>N/A</b>	<b>\$5,275,300</b>	<b>\$0</b>
Recognizes net adjustments of \$5,275,300 from federal grants for public health and family health programs, including new grants of \$4.5 million, completed grants totaling \$0.5 million, and net adjustments to ongoing grants of \$1.3 million.		Federal	N/A	5,275,300	0
		GF/GP	N/A	\$0	\$0
<b>16. ARRA Federal Public Health Grants</b>		<b>Gross</b>	<b>\$5,000,000</b>	<b>(\$5,000,000)</b>	<b>\$0</b>
Eliminates one-time \$5.0 million appropriation for federal ARRA public health grants including public health laboratory infrastructure, and information sharing between electronic medical records and the state immunization registry.		Federal	5,000,000	(5,000,000)	0
		GF/GP	\$0	\$0	\$0
<b>17. Crime Victim Services and Program Increases</b>		FTEs	11.0	2.0	0.0
Recognizes increased funds of \$10.4 million gross (\$0 GF/GP) available for local services to crime victims, victim compensation, and funding to local prosecutors and victim notification network system. Increase is related to additional revenue to the state restricted Crime Victim's Rights Fund due to statutory changes, and consequent increase in federal grant funds. (FTE-related economics adjustments are included in Item 1).		<b>Gross</b>	<b>\$27,039,800</b>	<b>\$10,381,000</b>	<b>\$0</b>
		Federal	16,563,700	6,881,000	0
		Restricted	10,476,100	3,500,000	0
		GF/GP	\$0	\$0	\$0
<b>18. Aging Program State Funding Reductions</b>		<b>Gross</b>	<b>\$90,829,700</b>	<b>(\$1,892,700)</b>	<b>\$0</b>
Reduces GF/GP funding to programs for seniors by \$2.2 million including \$1,025,500 (8.3%) of GF/GP funds for community services, \$791,000 (9.0%) of GF/GP funds for home-delivered and congregate meals, and \$401,800 (9%) of GF/GP funds for 3 senior volunteer programs. Tribal Elders' funding is reduced \$18,000 (15%). Early retirement GF/GP adjustment is also reflected. Federal grant adjustments total to a net \$321,000 increase. (FTE-related economics adjustments are included in Item 1).		Federal	56,707,800	321,000	0
		Private	607,500	70,000	0
		Merit Awd	4,468,700	0	0
		Restricted	1,400,000	0	0
		GF/GP	\$27,645,700	(\$2,283,700)	\$0
<b>19. Medicaid FMAP Federal Stimulus Adjustment</b>		<b>Gross</b>	<b>N/A</b>	<b>\$20,877,000</b>	<b>\$0</b>
Includes an increase of \$564.7 million GF/GP to offset the final year of enhanced federal FMAP Medicaid funding from the American Recovery and Reinvestment Act (ARRA) and related extension.		ARRA	N/A	(627,327,000)	0
		Local	N/A	4,516,200	0
		Restricted	N/A	79,018,600	0
		GF/GP	N/A	\$564,669,200	\$0

**Executive Changes**

**Major Budget Changes From FY 2010-11 YTD Appropriations**

**20. Medicaid Caseload, Utilization and Inflation Increase**

Includes a base adjustment increase for FY 2010-11 of \$115.5 million gross (\$47.8 million GF/GP) to cover caseload/utilization/inflation changes within Medicaid, Mental Health/Substance Abuse, Children's Special Health Care Services and Federal Medicare Prescription programs. The increase included for FY 2011-12 is \$322.0 million Gross (\$133.2 million GF/GP) and for FY 2012-13 the increase is projected to be \$334.5 million Gross (\$117.5 million GF/GP).

	FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>Gross</b>	<b>\$11,397,017,900</b>	<b>\$437,522,800</b>	<b>\$334,468,400</b>
Federal	7,568,396,600	256,582,200	217,000,900
Local	52,469,400	0	0
Private	2,100,000	0	0
Merit Awd	82,275,800	0	0
Restricted	1,846,351,100	0	0
GF/GP	\$1,845,425,000	\$180,940,600	\$117,467,500

**21. Dual Eligibles to Managed Care**

Reflects a shifting of individuals who are eligible for both Medicare and Medicaid (dual eligibles) from fee-for-service to an integrated managed care system. Savings of \$29.8 million gross (\$10.1 million GF/GP) are estimated given a start date of April 1, 2012. A federal waiver would be required to allow the State to receive the Medicare funds to manage the care of the dual eligibles.

<b>Gross</b>	<b>N/A</b>	<b>(\$29,828,700)</b>	<b>\$0</b>
Federal	N/A	(19,728,700)	0
GF/GP	N/A	(\$10,100,000)	\$0

**22. Other Medicaid Fund Source Adjustments**

Reflects an increase of federal Medicaid and Children's Health Insurance Program Reauthorization Act (CHIPRA) funds for FY 2011-12 would offset \$29.9 million of GF/GP due to regular changes in federal match rates. An additional \$160.0 million GF/GP is necessary to offset one-time CHIPRA FMAP correction revenue included in the FY 2010-11 budget. In FY 2012-13, a decrease of federal Medicaid and SCHIP funds would require an additional \$97.8 million of GF/GP due to regular changes in federal match rates.

<b>Gross</b>	<b>N/A</b>	<b>\$431,600</b>	<b>\$397,500</b>
Federal	N/A	40,613,500	(97,841,400)
Local	N/A	(457,800)	0
Restricted	N/A	(169,810,500)	397,500
GF/GP	N/A	\$130,086,400	\$97,841,400

**23. Graduate Medical Education Reduction**

Applies a 40% reduction to the Graduate Medical Education (GME) payments resulting in savings of \$67.3 million gross (\$22.8 million GF/GP). GME payments are made to Michigan hospitals which provide clinical training and education to individuals in approved residency programs. This funding is provided in recognition of the higher costs incurred by the teaching hospitals.

<b>Gross</b>	<b>\$168,160,800</b>	<b>(\$67,264,300)</b>	<b>\$0</b>
Federal	110,633,000	(44,488,600)	0
ARRA	9,164,800	0	0
GF/GP	\$48,363,000	(\$22,775,700)	\$0

**24. Include Behavioral Health Drugs In Preferred Drug List**

Funding of \$18.7 million gross (\$6.3 million GF/GP) is removed from the Pharmaceutical Services line as a result of including behavioral health drugs on the preferred drug list. A statutory change would be required to realize these savings.

<b>Gross</b>	<b>\$401,414,600</b>	<b>(\$18,700,000)</b>	<b>\$0</b>
Federal	262,930,300	(12,368,200)	0
ARRA	21,788,500	0	0
GF/GP	\$116,695,800	(\$6,331,800)	\$0

**25. Medicaid Estate Recovery Program**

Reduces the Long-Term Care Services line by \$10.0 million gross (\$4.2 million GF/GP) representing savings generated by statutory changes strengthening the existing Medicaid long-term care estate recovery law. Michigan currently is the only state in the nation without a federally approved estate recovery program.

<b>Gross</b>	<b>\$1,687,362,700</b>	<b>(\$10,000,000)</b>	<b>\$0</b>
Federal	1,128,268,000	(6,614,000)	0
ARRA	93,769,300	0	0
Restricted	328,363,700	0	0
Local	6,618,800	0	0
GF/GP	\$130,342,900	(\$3,386,000)	\$0

**26. Adult Home Help Service Limits**

Reduces the Adult Home Help line by \$17.7 million gross (\$6.0 million GF/GP) by excluding individuals from the Adult Home Help program who qualify only for assistance with instrumental activities of daily living (IADL). IADLs include shopping, laundry, housework, meal preparation and money management.

<b>Gross</b>	<b>\$304,928,900</b>	<b>(\$17,720,000)</b>	<b>\$0</b>
Federal	202,644,500	(11,720,000)	0
ARRA	16,794,600	0	0
GF/GP	\$85,489,800	(\$6,000,000)	\$0

**Executive Changes**

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>
<b>27. Health Insurance Paid Claims Assessment</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$388,352,900)</b>	<b>\$0</b>
Assumes enactment of a 1% assessment on all health insurance claims generating approximately \$396.9 million of state restricted revenue which will offset a like amount of GF/GP in the DCH budget. Of the \$396.9 million GF/GP savings, \$256.9 million reflects use tax revenue generated by a 6% tax on Medicaid HMOs that would be replaced with this broader assessment. An additional \$140.0 million of assessment revenue would offset a like amount of GF/GP to maintain base Medicaid program expenditures. The DCH budget is reduced \$388.4 million gross (\$131.5 million GF/GP) representing funds used to keep HMOs and PIHPs whole under the use tax. This replacement of the 6% use tax with a 1% assessment is based on anticipated federal action that will result in the phase-out of the use tax. To realize these savings, statutory changes will be necessary.	Federal	N/A	(256,856,600)	0
	Restricted	N/A	396,856,600	0
	GF/GP	N/A	(\$528,352,900)	\$0
<b>28. Third Party Liability Recovery Savings</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$14,766,700)</b>	<b>\$0</b>
Reduces the Health Plan Services line item by \$14.8 million gross (\$5.0 million GF/GP) reflecting savings generated by broadening the Sharing Health Care Information Act to require auto insurers who are legally responsible for payment of a health care claim to report to the Department of Community Health. This will enable the State to better identify Medicaid eligible persons with other health care coverage and avoid or recover payments for services provided by the Medicaid program. This requires a change in Michigan law.	Federal	N/A	(9,766,700)	0
	GF/GP	N/A	(\$5,000,000)	\$0
<b>29. Primary Care Physician Rate Increase FY 2012-13</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>\$100,000,000</b>
Anticipates the availability of \$100.0 million federal funds in FY 2012-13 to increase the reimbursement rates of primary care physicians up to 100% of Medicare rates. This reimbursement level is a requirement of the Affordable Care Act of 2010 and the rate increase is fully federally funded	Federal	N/A	0	100,000,000
	GF/GP	N/A	\$0	\$0

**Major Boilerplate Changes From FY 2010-11**

*NOTE: No boilerplate language is proposed for FY 2012-13.*

**Executive Boilerplate Deletions**

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2010-11 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted. For the Department of Community Health, the Executive deletes 210 of 251 boilerplate sections.

**GENERAL SECTIONS**

**Sec. 206. Contingency Funds – REVISED**

Appropriates and makes available for expenditure up to \$200 million federal contingency funds, up to \$40 million state restricted contingency funds, up to \$20 million local contingency funds, and up to \$20 million private contingency funds if transferred according to provisions of Section 393(2) of the Management and Budget Act.

**Sec. 213. Report on Tobacco Tax and Healthy Michigan Funds - DELETED**

Requires state departments, agencies, and commissions receiving tobacco tax and Healthy Michigan funds to report on programs utilizing these funds.

**Sec. 219. DCH Contracts with the Michigan Public Health Institute - DELETED**

Allows DCH to contract with the Michigan Public Health Institute for the design and implementation of projects and other public health related activities. Requires DCH to report on each funded project and provide copies of all reports, studies, and publications produced by the Institute.

**Sec. 220. Audits of Michigan Public Health Institute - DELETED**

Requires all contracts with the Michigan Public Health Institute funded with Part 1 appropriations to include a provision requiring financial and performance audits by the state Auditor General of funded projects with state appropriations.

## **Major Boilerplate Changes From FY 2010-11**

### ***Sec. 292. Civil Service Classification Pay Status and Publicly Accessible Internet Website - DELETED***

Requires the Department to report on the number of full-time equated positions in pay status by civil service classification on a quarterly basis. Requires DCH to develop, post, and maintain on a publicly accessible Internet website all expenditures made by DCH within a fiscal year which includes the purpose for which expenditures are made.

## **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

### ***Sec. 401. Comprehensive System of CMH Services - DELETED***

Provides that Part 1 appropriated funds are to support a comprehensive system of CMH services under the full authority and responsibility of local community mental health services programs (CMHSPs) or prepaid inpatient health plans (PIHPs). Requires that DCH ensure each CMHSP or PIHP provide a complete array of mental health services, coordination of inpatient and outpatient hospital services, individualized plans of services, a case or care management system, and a system that serves at-risk and delinquent youth pursuant to provisions of the Mental Health Code.

### ***Sec. 404. Report on CMHSPs - DELETED***

Requires DCH to report on the following for CMHSPs or PIHPs: expenditures and services data, information about access to CMHSPs, lapses and carry-forwards, information on the CMH Medicaid managed care program, performance indicator required to be submitted to DCH in contracts with CMHSPs or PIHPs, and an estimate of the number of mental health direct care workers.

### ***Sec. 407. Substance Abuse Prevention, Education, and Treatment Grants - DELETED***

Requires that appropriations for substance abuse prevention, education, and treatment grants be expended for contracting with coordinating agencies. Requires coordinating agencies work with CMHSPs or PIHPs to coordinate care and services provided to individuals with severe and persistent mental illness and substance abuse diagnoses.

### ***Sec. 408. Report on Substance Abuse Prevention, Education, and Treatment Programs - DELETED***

Requires DCH to report on expenditures and services data on substance abuse prevention, education, and treatment programs from the prior fiscal year.

### ***Sec. 414. Medicaid Substance Abuse Services - DELETED***

Requires Medicaid substance abuse services to be managed by PIHPs pursuant to the Centers for Medicare and Medicaid Services' approval of Michigan's 1915(b) waiver request to implement a managed care plan for specialized substance abuse services. Authorizes PIHPs to receive a capitated payment on a per eligible per month basis to assure the provision of medically necessary substance abuse services.

## **STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES , AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

### ***Sec. 605. Closures or Consolidations of State Hospitals and Centers - REVISED***

Eliminates subsections that prohibits the DCH from implementing any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or PIHPs have programs and services in place for those persons currently in the facilities, and requires DCH to provide a closure plan four months after closure certification to the House and Senate Appropriations Subcommittees on Community Health, House and Senate Fiscal Agencies, and State Budget Director.

## **PUBLIC HEALTH ADMINISTRATION**

### ***Sec. 650. Fish Consumption Advisory - DELETED***

Directs DCH to communicate the annual public health consumption advisory for sport fish; at a minimum, post the advisory on the Internet and provide it to Women, Infants, and Children special supplemental nutrition program participants.

## **INFECTIOUS DISEASE CONTROL**

### ***Sec. 801. Priority for Adolescents for AIDS Prevention Services - DELETED***

Requires DCH and its subcontractors to ensure that high-risk children ages 9 through 18 receive priority for AIDS prevention, education, and outreach services.

## **LOCAL HEALTH ADMINISTRATION AND GRANTS**

### ***Sec. 904. Essential Local Public Health Services - REVISED***

Eliminates requirement for DCH to report on planned allocations of essential local public health services line item funds.

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

### ***Sec. 1006. Priority for Smoking Prevention Funding and Allocation for Quit Kits - DELETED***

Requires DCH to give priority to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents in spending smoking prevention program line item funds. Allocates \$100,000 for the Quit Kit program that includes the nicotine patch or nicotine gum, for purposes of complying with Act 164 of 2004.

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

### ***Sec. 1105. Contract with Local Agencies Best Able to Serve Clients - DELETED***

Requires DCH to contract for family, maternal, and children's health services with local agencies best able to serve clients. Describes factors to be used by DCH to evaluate a local agency's ability to serve clients.

### ***Sec. 1129. Report of Elevated Blood Lead Levels in Children - DELETED***

Directs DCH to annually report to the Legislature on the number of children with elevated blood lead levels by county, including blood lead level and source of reported information

## **Major Boilerplate Changes From FY 2010-11**

### ***Sec. 1135. School Health Education Curriculum - DELETED***

Establishes that provision of a school health education curriculum shall be in accordance with health education goals of the Michigan Model for Comprehensive School Health Education State Steering Committee; establishes steering committee membership; and requires curriculum materials be made available upon request.

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

### ***Sec. 1204. CSHCS and Medicaid HMOs - DELETED***

Requires the Department to work with the Michigan Association of Health Plans to identify and report on a Medicaid HMO reimbursement methodology for Children's Special Health Care Services (CSHCS) eligibles.

## **CRIME VICTIM SERVICES COMMISSION**

### ***Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs - DELETED***

Allocates up to \$200,000 of justice assistance grants line item funds for forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. Funds shall be used for program coordination and training.

## **OFFICE OF SERVICES TO THE AGING**

### ***Sec. 1401. Eligibility for Senior Community Services and Nutrition Services Programs - DELETED***

Eligibility for community services and nutrition services programs shall be restricted to individuals at least 60 years of age who fail to qualify for home care services under Titles XVIII, XIX, or XX of the Social Security Act.

### ***Sec. 1406. Use of Respite Care Tobacco Settlement Funds for Direct Care - DELETED***

Requires that the \$4,468,700 respite care appropriation of Merit Award Trust Fund monies be used only for direct respite care or adult respite care center services, and be allocated according to a long-term care plan; limits allocation for administration.

## **MEDICAL SERVICES**

### ***Sec. 1661. Access to Maternal Infant Health Program (MIHP) Services - DELETED***

Requires timely access to Maternal Infant Health Program (MIHP) services and coordination with other state or local programs; requires HMOs to be responsible for MIHP as described in Medicaid policy; coordination of MIHP services with other state services focusing on the prevention of adverse birth outcomes, child abuse and neglect; DCH to provide, annually, budget neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of pregnant women.

### ***Sec. 1691. Adult Home Help Worker Wage Increase - DELETED***

Provides that all adult home help workers receive the wage increase provided in previous years.

### ***Sec. 1740. Graduate Medical Education Funds Distribution - DELETED***

Requires assurance from DCH that all GME funds continue to be promptly distributed to hospitals using a methodology developed in consultation with the graduate medical education advisory group during FY 2006-07.

### ***Sec. 1757. Medicaid Applicants, Legal Residence, and Fugitive Felon Status - DELETED***

Requires DCH to direct Department of Human Services to require Medicaid applicants to prove that they are residing legally in the United States and that they are residents of Michigan. Establishes intent that DCH seek clarification from federal government on whether states can deny Medicaid eligibility to fugitive felons through a state plan amendment or waiver, and to report to the Legislature.

### ***Sec. 1764. Actuarial Soundness Certification of Medicaid Health Plan Rates - DELETED***

Requires DCH to annually certify that rates paid to Medicaid health plans are actuarially sound and to notify the House, Senate, and fiscal agencies immediately upon rate certification and approval.

### ***Sec. 1804. Identification of Medicaid Beneficiaries Who Are War Veterans - DELETED***

Requires DCH, in cooperation with Department of Human Services, to work with the federal government's public assistance reporting information system to identify Medicaid recipients who are veterans and may be eligible for federal veteran's health care benefits.

### ***Sec. 1817. Medicaid and Preventable Medical Errors - DELETED***

Directs DCH to report to the Legislature on implementation of a policy to prohibit billing for care made necessary by preventable medical errors or adverse health events.

### ***Sec. 1824. Residents of Homes for the Aged and Adult Foster Care and HCBS Program - DELETED***

Provides that individuals living in homes for the aged or adult foster care facilities shall be eligible to apply for enrollment for services from the Home- and Community-Based Services (HCBS) waiver program.

### ***Sec. 1837. Telemedicine Use in Underserved Areas - DELETED***

Requires that DCH explore the use of telemedicine as a means to increase Medicaid recipients who reside in underserved areas access to primary care services.

### ***Sec. 1838. Reimbursement Changes for Long-Term Care Facilities - DELETED***

Requires that DCH work with relevant parties to convene a workgroup to identify possible budget-neutral changes in reimbursement for long-term care facilities. An update of the findings will be presented at respective Executive budget subcommittee presentations to the Legislature.

**Major Boilerplate Changes From FY 2010-11**

***Sec. 1841. Health Care Reform Fiscal Impact - DELETED***

Requires the Department to report on the fiscal impact of federal health care reform legislation on the Department by April 1 of the current fiscal year.