



**FY 2010-11 APPROPRIATION REPORT
DEPARTMENT OF COMMUNITY HEALTH
Public Act No. 187 of 2010
And FY 2009-10 Supplemental Actions**

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This document is a technical legislative intent report of the enacted Department of Community Health Fiscal Year 2010-11 budget, detailing each appropriation line item change from the prior fiscal year budget. A brief summary of each boilerplate section in the act is included. Enacted supplemental appropriations for Fiscal Year 2009-10 are also included in this report: appropriation changes are detailed by line item at the end of each appropriation section, and boilerplate actions are found at the end of the report.

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DEPARTMENT OF COMMUNITY HEALTH OVERVIEW

The Department of Community Health (DCH) budget provides funding for Mental Health, Public Health, and Medical Services programs including Medicaid. Also included is funding for Health Policy, Regulation, and Professions, the Office of Services to the Aging, the Crime Victim Services Commission, Departmentwide Administration, and Information Technology. **Public Act 187 of 2010** is the appropriation act for the Department of Community Health that includes authorized funding for FY 2010-11 of \$14.1 billion, of which \$2.4 billion is from GF/GP revenues. Highlights of Public Act 187 and changes from the prior fiscal year follow.

1. Economic Adjustments

A net increase of \$26,547,500 Gross (\$11,510,000 GF/GP) is included in the budget to finance economic adjustments for 3.0% salary and wage increase for unionized employees, defined benefit and contribution retirement, insurance, building occupancy, food, worker's compensation, gas, fuel, and utility costs for FY 2010-11. Included in the net increase is the removal of the 3.0% salary and wage and related fringe benefit economic adjustment for non-exclusively represented employees (NEREs) totaling \$4,849,200 Gross (\$1,984,500 GF/GP).

2. Family Support Subsidy Program Caseload Increase

Projecting a 2.5% caseload increase in the Family Support Subsidy Program, TANF funds for this program are increased by \$871,300. This program provides \$222.11 monthly payment to income-eligible families with a child under 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic.

3. Actuarially Sound Capitation Payment Rates Adjustment

Capitation payment rates for Health Plan Services and Medicaid Mental Health are increased by 0.4% and 1.4%, respectively, and rates for Medicaid Substance Abuse Services are reduced by 4.8% which equates to \$34,980,300 Gross (\$17,318,100 GF/GP) to ensure rates are actuarially sound in FY 2010-11. The actuarially sound rates adjustment is considerably lower than the FY 2009-10 adjustment due to changes in Medicaid enrollment and the rebasing of current encounter data for Health Plans and Prepaid Inpatient Health Plans (PIHPs).

4. Mental Health Services for Special Populations Funding

The budget allocates an additional \$50,000 GF/GP for the Chaldean Chamber Foundation which is funded through the Multicultural Services line item that has been renamed "Mental Health Services for Special Populations".

5. Community Mental Health (CMH) Non-Medicaid Services Reduction

Administrative funds included in the CMH Non-Medicaid Services appropriation are reduced by \$3,797,900 GF/GP. Also, funding for non-Medicaid services provided to persons with mental illness and developmental disabilities are reduced by \$1,637,500 GF/GP. (Sec. 462)

6. Hospital Rate Adjustor Increase for PIHPs

The budget adds \$16.0 million Gross (\$275,300 GF/GP) to Medicaid Mental Health Services due to an increase in the hospital rate adjustor payment for PIHPs which was established in FY 2009-10. As is the case for Medicaid Health Plans, estimated payments from private inpatient hospitals for mental health services are passed through PIHPs.

7. Freeze on Enrollment in Home and Community-Based Services Waiver

Included in the budget is a reduction of \$8,634,600 Gross (\$2,483,300 GF/GP) for Medicaid Mental Health Services as enrollment in the federal Home and Community-Based Services Habilitation Supports Program will be frozen and/or reduced by 300 persons. Under this Medicaid waiver, PIHPs provide services to persons with developmental disabilities who would otherwise need the level of care provided in an Intermediate Care Facility for Mental Health Retardation.

8. Community Substance Abuse Prevention, Education, and Treatment Programs Funding Reduction and Fund Shift

The budget includes a reduction of \$1,636,100 GF/GP for the Community Substance Abuse Prevention, Education, and Treatment Programs line item. Also, one-time carryforward substance abuse licensing and fine revenue of \$950,000 for this line item is replaced with GF/GP. A one-time allocation of \$1.0 million GF/GP is included in the budget to enhance the community health outreach program provided by Self-Help Addiction Rehabilitation (SHAR), Inc. (Sec. 493)

9. Annualize Forensic Mental Health Services to Department Of Corrections (DOC) Costs

The budget adds \$2,735,000 to the Interdepartmental Grant from the DOC to annualize the FY 2009-10 phase-in costs for six outpatient and one residential treatment programs.

10. Primary Care Services Funding

Included in the budget is a \$100,000 GF/GP allocation for Beaver, Drummond, and Mackinac Island clinics. Also, funding of \$75,000 GF/GP is restored for the Helen M. Nickless Volunteer Clinic which was vetoed by the Governor in the FY 2009-10 budget.

11. Medical Marijuana Program

The budget agrees with the Executive's technical adjustment request to include state restricted revenue funding of \$450,000 for an additional 5.0 FTE positions for the Health Professions line item to reduce the Medical Marijuana Program's licensing backlog.

12. Health Systems Administration

The budget agrees with the Executive's technical adjustment request to include federal revenue financing of \$1,298,700 for an additional 6.0 FTE positions for the Health Systems Administration line item. The staff is needed for Tier 3 survey work of nursing homes and non long-term care facilities. (Sec. 730)

13. Healthy Michigan Fund

State restricted Healthy Michigan Fund appropriations for public health projects are maintained at \$10.9 million with a \$39,900 reduction for pregnancy prevention programs. Healthy Michigan funds are appropriated for Medicaid at \$23.1 million which includes a \$3.4 million fund shift to GF/GP to recognize reduced overall Fund revenue.

14. Public Health Laboratory Services and Facilities

Public health laboratory services are reduced by \$711,800 Gross and GF/GP and 7.0 FTEs with the elimination of certain testing services for parasitology and mycology (fungal infections). Funding for the Upper Peninsula public health laboratory in Houghton, one of 5 regional laboratories, is reduced by \$350,000 Gross and GF/GP from \$600,000 to \$250,000 for a planned 2-year transition to local operation of the laboratory; related 6.0 FTEs are eliminated. Sec. 840 is related new boilerplate.

15. Public Health and Family Health Grants

Grant adjustments from federal and private sources for public health and family health programs include new grants of \$1.2 million, completed grants totaling \$6.2 million, and a net increase for ongoing grants and revenue of \$11.9 million.

16. ARRA and ACA Federal Public Health and Family Health Grants

One-time American Recovery and Reinvestment Act grants are included in the budget totaling \$5.0 million including grants awarded for public health laboratory infrastructure, and information sharing between electronic medical records and immunization registry systems. Federal Patient Protection and Affordable Care Act grant funds are included for public health infrastructure (\$500,000), and maternal, infant and early childhood home visitation (\$2.2 million).

17. Public Health and Epidemiology Services and Staff

State funding for public health staff and services are reduced for GF/GP savings, including \$453,000 and 3.3 FTE positions in epidemiology and tuberculosis, \$366,300 and 1.0 FTE in infectious disease control, \$199,000 and 1.0 FTE in public health administration, and \$71,100 and 0.8 FTE in injury prevention and chronic disease.

18. Local Public Health Operations Funding

Funding to local public health departments for state-local cost-shared key public health services is reduced by \$1,000,000. Hearing and vision screening programs funded by this line item are not affected. The line item name is changed from Local Public Health Operations to Essential Local Public Health Services.

19. Traumatic Brain Injury Pilots

Funding of \$200,000 gross (\$100,000 GF/GP) is restored for traumatic brain injury pilot programs that was vetoed in the prior fiscal year, including related Sec. 1031 boilerplate.

20. Zero to Three Early Childhood Program Placeholder - VETOED

The Governor vetoed the Early Childhood Collaborative Secondary Prevention line item placeholder appropriation of \$100 gross and GF/GP for the program for children ages 0-3 at risk of abuse and neglect.

21. Stillbirth Awareness

Funding of \$50,000 gross and GF/GP is provided for efforts to reduce the incidence of stillbirth including a counting fetal kicks awareness program, including related new Sec. 1117 boilerplate.

22. Women, Infants, and Children (WIC) Food Program

Federal funds for the WIC special supplemental food and nutrition program are increased by \$21.1 million gross (\$0 GF/GP) for WIC special supplemental food and nutrition program for food and administration costs, related to continued increases in program participation and in food costs, and increased rebate revenue from infant formula manufacturers. A federal WIC nutrition grant of \$175,000 gross (\$0 GF/GP) is completed.

23. Crime Victim's Rights Fund DHS and MSP Appropriations

State restricted Crime Victim's Rights Fund interdepartmental grant appropriations are eliminated of \$1.1 million gross (\$0 GF/GP) to Michigan State Police and \$1.3 million gross (\$0 GF/GP) to Department of Human Services to support certain programs, due to declining balance in the Fund. The Fund has supported these IDGs since FY 2006-07. The lost funds are partially or fully replaced in the DHS and MSP enacted budgets using other revenues.

24. Aging Program Reductions

State gross and GF/GP funding for senior programs is reduced for GF/GP savings including: \$1.1 million for senior community services programs, \$763,200 for senior meals and nutrition services, \$387,900 for three senior volunteer programs, and \$82,000 for one state agency position. Commission per diem funding of \$10,500 GF/GP is eliminated.

25. Nonemergency Transportation & Incontinent Supplies-Title V Eligibles

Restores \$1,151,700 GF/GP for nonemergency transportation that had been eliminated in FY 2009-10 for Title V Children's Special Health Care Services (CSHCS) eligibles. Incontinent supply funding for Title V CSHCS eligibles was not restored.

26. Medicaid Recovery and Revenue Maximization

Includes net savings of \$7.5 million GF/GP from an increased cost of \$1.5 million gross (\$753,800 GF/GP) for 15.0 FTEs who will be dedicated to Medicaid payment recoveries and revenue maximization, and expected savings of \$28.8 million gross (\$8.3 million GF/GP) within Medicaid program services.

27. Transitional Medical Assistance Plus Program

Reduces funding of \$3.7 million GF/GP by eliminating the State support of the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months. Monthly premiums from \$50 to \$110 are paid by the individuals. Approximately 950 eligibles would be affected. Boilerplate language requires DCH to permit TMA eligibles medical coverage at 100% cost share. (Sec. 1603(4))

28. General Motors Pension FMAP Fix

Reduces GF/GP by \$160.0 million which will be offset by an increase in Medicaid Benefits Trust Fund revenue due to an anticipated deposit to the fund related to the correction of a historical Federal Medical Assistance Percentage (FMAP) calculation. The creation by General Motors of a Voluntary Employee Benefits Association (VEBA) in 2006 resulted in artificially low FMAP rates in subsequent years. This payment is authorized by the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009, but the final amount is yet to be determined.

29. Medicaid Caseload, Utilization and Inflation Increase

Includes an increase of \$554.2 million gross (\$161.5 million GF/GP) to cover caseload, utilization and inflation changes within Medicaid, Mental Health/Substance Abuse, Children's Special Health Care Services and Federal Medicare Prescription Programs.

30. Medicaid FMAP Federal Stimulus Bill Adjustment

Provides an increase of \$429.8 million GF/GP to offset the change from 4 quarters of enhanced federal Medicaid match rates resulting from the American Recovery and Reinvestment Act (ARRA) in FY 2009-10 to one quarter of ARRA and two additional quarters of stepped-down enhanced rates in FY 2010-11.

31. Medicare Part D ARRA FMAP Adjustment

Includes savings of \$28.8 million GF/GP offset by additional federal ARRA FMAP funds. The funds are available due to a recent determination from the federal Department of Health and Human Services under which the enhanced ARRA FMAP rate will be applied to the State contribution (clawback provision) required by the Medicare Part D drug program.

32. Reinstatement of Second DSH Pool

Provides \$7.5 million gross to fund a second disproportionate share hospital (DSH) payment pool. This pool had been funded in FY 2008-09 at \$5.0 million gross and had been maintained at this level by the Legislature for FY 2009-10, but funding was removed by the Governor's veto. The second DSH pool recipients are unaffiliated hospitals and hospital systems that received less than \$900,000 in DSH payments in FY 2007-08. (Sec. 1699)

33. Other Medicaid Fund Source Adjustments

Includes \$103.9 million GF/GP to offset \$63.6 million less Merit Award Trust Fund Revenue and \$40.3 million less Medicaid Benefits Trust Fund Revenue.

34. Reinstatement of Medicaid Adult Dental and Podiatric Services

Includes \$19.6 million gross (\$5.6 million GF/GP) to reinstate adult Medicaid dental services and \$1.2 million gross (\$353,500 GF/GP) to reinstate adult podiatric services. These services were not included in the FY 2009-10 budget and had been removed in the last quarter of FY 2008-09, pursuant to Executive Order 2009-22.

35. Nursing Home Transition Savings

Includes nursing home transition savings of \$29.6 million gross (\$8.5 million GF/GP), the result of transitioning 450 additional nursing home occupants to the MIChoice program.

36. School-Based Services

The School-Based Services line is increased by \$26.7 million gross (a reduction of \$17.8 million GF/GP) due to additional settlements with schools that provide Medicaid services. The schools provide the State match, with 60% of the federal matching dollars provided to the schools and 40% retained by the State to offset GF/GP.

FY 2009-10 FUNDING ADJUSTMENTS

Six supplemental funding adjustments have been made to the enacted FY 2009-10 Community Health budget, **Public Act 140 of 2009**, **Executive Order 2009-42**, **Public Act 92 of 2010**, **Public Act 142 of 2010**, **Public Act 158 of 2010**, and **Public Act 193 of 2010**. Additional detail is included within each appropriation section throughout this report.

Public Act 140 of 2009 (Enrolled House Bill 4311), effective November 6, 2009, provides supplemental FY 2009-10 appropriations of \$2,025,000 Gross (\$ 0 GF/GP). Included in the supplemental is \$2,025,000 Gross (\$745,400 GF/GP), an adjustment that restore funds in the Primary Care Services line item that were eliminated in the FY 2009-10 appropriation act for the Department of Community Health (Public Act 131 of 2009) for Bronson Methodist Hospital. The DSH payment to the hospital supports primary care services provided by ACCESS, Arab American Chaldean, Center for Family Health, Cherry Street Health Services, Community Health and Social Services, Hamilton Family Health Center, and North Oakland Medical Center. Also, included in the supplemental is a fund shift of \$745,400 GF/GP to state restricted revenue for the Health Plan Services line item. This adjustment assumes additional funding from legal settlements and fraud recoveries that are deposited into the Medicaid Benefits Trust Fund that would offset GF/GP currently used for Medicaid payments.

Executive Order 2009-42, effective October 26, 2009, transfers the legally mandated duties of the Law Enforcement Grants Section and the Education Grants Section of the Office of Drug Control Policy from the Department of Community Health to the Departments of State Police and Education in the interests of an efficient and effective government. This Executive Order, in conjunction with electronic budget adjustments, results in the following adjustments for the DCH: \$823,200 reduction in federal revenue supporting the Mental Health/Substance Abuse Program Administration appropriation; \$5,300,500 reduction in the Anti-Drug Abuse Grants appropriation; and \$1,080,000 reduction in the federal revenue supporting the Interdepartmental Grant to Judiciary for Drug Treatment Courts appropriation.

Public Act 92 of 2010 (Enrolled Senate Bill 928), effective June 21, 2010, provides supplemental FY 2009-10 appropriations of \$23,754,900 Gross (all federal revenue realized through the American Recovery and Reinvestment Act of 2009). Included in the supplemental is \$194,200 in ARRA funding for a program that will match interested health professional students and residents with practice sites and clinical rotations on multidisciplinary health care teams in underserved communities. Eligible persons for the program include students enrolled in medical, physician assistant, nurse practitioner, dental and other primary care training programs, as well as primary care medical residents. Included in the supplemental is \$4,050,800 of new federal funds for 2-year projects under the ARRA Prevention and Wellness Fund Communities Putting Prevention to Work Grants, State Policy and Environmental Change component, including: base

award of \$1,299,666 for smoke-free air law implementation, increasing physical activity, and implementation of nutrition standards on school campuses; \$1,251,099 for expansion of tobacco quitline and targeted tobacco cessation media campaign; and \$1,500,000 to reduce exposure to second-hand smoke through promotion of smoke-free HUD, low-income, and tribal housing. The Medical Services Administration line is increased by \$6,993,100 to recognize ARRA grants for activities to be administered by DCH for planning, integration of the state's public health reporting and surveillance systems and MCIR with the Michigan Health Information Network Shared Services, and outreach, education and grant management. The federal ARRA FMAP authorization for the Medicare Premium Payments line item is increased by \$11,410,300 to recognize federal grant funds that extend the Qualified Individual (QI) program until December 31, 2010. The QI program reimburses for certain low-income elders or adults with disabilities for whom the Medicaid program pays their Medicare Part B premiums. The supplemental includes \$1,106,500 of new federal funds for a 2-year project under the ARRA Prevention and Wellness Fund Communities Putting Prevention to Work Grants, Chronic Disease Self Management Initiative component, to develop evidence-based chronic disease self-management programs for seniors with multiple chronic illnesses, and gather evidence on the impact of participant health behavior and health status outcomes. Coping strategies and emotional support will be provided to help participants better manage personal health. Aging, public health, and Medicaid agencies will collaborate on this project.

Public Act 142 of 2010 (Enrolled Senate Bill 797), effective August 4, 2010, provides supplemental FY 2009-10 negative appropriations of \$4,535,300 Gross (\$1,816,900 GF/GP) to reflect savings that will be achieved through employee concession measures that include banked leave time and furlough days.

Public Act 158 of 2010 (Enrolled House Bill 6086), effective September 9, 2010, provides FY 2009-10 supplemental appropriations of \$358,254,900 Gross (\$0 GF/GP). Included in the supplemental is a net increase of \$252,839,000 Gross (\$81,872,500 GF/GP) for various line items as Medicaid and MICHild program expenditures are higher than projected due to caseload, utilization and inflation costs as determined at the May 17, 2010 Medicaid consensus meeting between the House and Senate Fiscal Agencies and the State Budget Office. The supplemental recognizes an additional \$5.0 million of private funds for AIDS programs received from pharmaceutical manufacturers as rebates on medications used by the HIV/AIDS Drug Assistance Program (ADAP), which serves about 2,200 uninsured and underinsured people living with HIV/AIDS. General fund/general purpose savings of \$71,890,700 are recognized due to a change in federal policy that allows the application of the enhanced ARRA Medicaid FMAP rate to the calculation of the Medicare Part D Prescription Drug Program phased-down state contribution, also known as the "clawback" payment. The Health Plan Services appropriation line is increased by \$7.5 million Medicaid Benefits Trust Fund revenue offset by a like amount of GF/GP savings. The noted fund shifts reflect available revenue. The supplemental includes an increase of \$40,651,200 Gross for the Long-Term Care Services appropriation line representing the net effect of increasing Medicaid payment rates to

nursing homes through the quality assurance assessment program (QAAP). Included in the adjustment are nursing home payments in the amount of \$40,651,200 Gross (\$25,687,500 federal revenue, \$4,097,600 ARRA revenue, and \$10,866,100 state restricted revenue) and a reduction of \$6,517,800 GF/GP that is offset with nursing home QAAP retained by the state.

The Health Plan Services appropriation line is reduced by \$41.5 million and the Pharmaceutical Services line is increased by a like amount which reflects a carve-out of psychotropic drugs from the HMOs. The carve-out corrects the alignment of psychotropic drug expenditures with the receipt of related pharmaceutical rebates. This policy change was required by the federal government and implemented April 1, 2010. The Health Plan Services line is reduced by \$2,648,900 Gross (\$708,100 GF/GP) due to reduced payments necessary to hold HMOs harmless from the use tax. Federal funds in the amount of \$10,269,400 are reduced and offset by an increase of GF/GP to recognize an increase in Title V only Children's Special Health Care Services (CSHCS) beneficiaries. The Long-Term Care Services and Personal Care Services appropriation lines are reduced by \$11,486,500 and \$2,369,100, respectively, and offset by a \$13,855,600 increase to the Adult Home Help Services line item. These adjustments correct the FY 2009-10 distribution of Medicaid consensus adjustments that were agreed to on July 2, 2009 by the House and Senate Fiscal Agencies and the State Budget Office. The MICHild Program appropriation line is increased by \$884,800 Gross (\$228,000 GF/GP) recognizing a MICHild dental rate increase effective January 1, 2010. The increase is necessary to be in compliance with the dental package requirements stipulated in the federal Children's Health Insurance Program Reauthorization Act (CHIPRA). The Health Plan Services appropriation line is increased by \$32,714,000 Gross reflecting the net effect of increasing the specialty network access fee (SNAF) payments made through HMOs to contracted practitioner groups using university and local funds to match federal Medicaid funds. Included in the adjustment are the actual SNAF payments increase in the amount of \$30,751,200 Gross (\$20,680,900 federal revenue, \$9,602,100 ARRA revenue, \$59,500 local revenue, and \$408,700 state restricted revenue) and an increase of \$1,962,800 Gross (\$524,600 GF/GP) to hold HMOs harmless from the additional use tax.

The supplemental increases the disproportionate share hospital (DSH) allotment for the state psychiatric hospital by \$1,440,500 Gross which generates \$910,300 GF/GP savings, the state benefit. The Health Plan Services appropriation line is increased by \$58,118,300 Gross representing the net effect of increasing the hospital rate adjustment (HRA) payments. Included in the adjustment are the actual HRA payments increase in the amount of \$54,631,200 Gross (\$34,521,500 federal revenue, \$5,506,800 ARRA revenue, and \$14,602,900 state restricted revenue), an increase of \$3,487,100 Gross (\$932,100 GF/GP) to hold HMOs harmless from the additional use tax, and a reduction of \$8,059,700 GF/GP that is offset with hospital QAAP revenue retained by the state. The Health Plan Services line is reduced by \$2,322,900 Gross (\$1.4 million GF/GP increase) to correct a state psychiatric DSH payment savings reduction that was

duplicated in Executive Order 2008-21. The Health Plan Services line is reduced by \$3,123,500 Gross and the Hospital Services and Therapy line is increased by a like amount to correct where the savings associated with the hospital QAAP state retained amount are realized. The Hospital Services and Therapy appropriation line is increased by \$916,900 hospital QAAP revenue and replaced with a like amount of federal Medicaid revenue to correct the fund sourcing of FY 2009-10 hospital rate adjustment (HRA) payments. The School-Based Services line is increased by \$43,469,600 in federal authorization due to additional settlements with schools that provide Medicaid services supported with local funds. These federal funds are paid to local school districts for language, speech, hearing, nursing services, counseling, physical and occupational therapy, and health screening services for Medicaid eligible students in school settings.

Public Act 193 of 2010 (Enrolled House Bill 5409), effective September 30, 2010, provides a corrected supplemental appropriation of \$79,488,900 Gross (\$123,778,100 GF/GP reduction). The Medicaid Benefits Trust Fund (MBTF) revenue of \$8,893,000 offsets a like amount of federal State Children's Health Insurance program (SCHIP) Title XXI authorization in the Medicaid Adult Benefits Waiver (ABW) appropriation lines for physical and mental health. Beginning January 1, 2010, the ABW program's federal match portion is at the Medicaid FMAP rate of 63.19% rather than the SCHIP rate of 74.23%, therefore requiring additional state support to maintain the current program. Additional MBTF revenue is available due to a higher than anticipated FY 2009-10 fund balance and greater than anticipated cigarette tax revenue. The federal State Children's Health Insurance Program (SCHIP) bonus payment of \$3,713,900 is directed to the Community Mental Health Non-Medicaid Services line item to offset GF/GP support for this line item. The GF/GP support for the Medicaid ABW program is increased by \$3,713,900 from the offset in the Community Mental Health Non-Medicaid Services appropriation to finance one-time general fund shortfall as SCHIP federal funds are no longer available to support the program and federal Medicaid funds are calculated at a lower federal match rate. An increase of \$101,498,200 Gross restores a 4.0% Medicaid payment rate reduction applied to hospitals and nursing homes in FY 2009-10. The gross amount is financed with additional nursing and hospital QAAP funds of \$31,081,500 and matching federal funds of \$70,416,700. The gross and state restricted amounts have been decreased by \$300, as compared to the House and Executive actions, to adjust for a technical error in the enacted bill. A reduction of \$101,813,300 GF/GP for Medicaid programs is offset with an equal amount of revenue available from the Merit Award Trust Fund. The GF/GP offset was part of balancing the FY 2009-10 GF/GP budget. The Multicultural Services line item is increased by \$400,000 GF/GP for the Chaldean Chamber Foundation to provide supportive services to Chaldean immigrants. Due to a shortfall in expected Healthy Michigan Fund revenues, an additional \$44,500 GF/GP is provided to offset unavailable funds, in excess of the adjustment made in Public Act 158 of 2010.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
DEPARTMENT OF COMMUNITY HEALTH								
APPROPRIATION SUMMARY:								
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	4,374.6	4,356.8	4,371.8	4,354.3	4,384.1	4,393.8	(1.0)	4,392.8
Average population	893.0	893.0	893.0	893.0	893.0	893.0	0.0	893.0
GROSS APPROPRIATION	13,077,632,600	14,396,931,000	14,454,313,400	13,565,966,400	13,712,528,800	14,124,179,800	(75,200)	14,124,104,600
Interdepartmental grant revenues:								
Total interdepartmental grants and intradepartment	48,946,000	54,224,300	54,020,800	54,224,300	54,224,300	54,020,800	0	54,020,800
ADJUSTED GROSS APPROPRIATION	13,028,686,600	14,342,706,700	14,400,292,600	13,511,742,100	13,658,304,500	14,070,159,000	(75,200)	14,070,083,800
Federal revenues:								
Total other federal revenues	7,857,901,800	8,982,050,000	9,022,364,000	8,473,442,300	8,511,571,100	8,823,755,700	(37,500)	8,823,718,200
Total federal revenues (ARRA)	1,080,092,400	851,400,600	854,977,900	920,178,700	927,383,700	650,327,000	0	650,327,000
Special revenue funds:								
Total local revenues	225,972,600	232,374,700	231,643,100	232,374,700	233,837,800	235,104,200	0	235,104,200
Total private revenues	72,308,500	80,272,500	80,266,800	80,272,500	88,109,300	88,103,600	0	88,103,600
Merit award trust fund	22,899,900	149,220,500	149,220,500	149,220,500	149,220,500	86,457,600	0	86,457,600
Total other state restricted revenues	1,464,908,900	2,030,926,600	2,047,343,000	1,735,832,000	1,724,660,900	1,764,889,500	0	1,764,889,500
State general fund/general purpose	2,304,602,500	2,016,461,800	2,014,477,300	1,920,421,400	2,023,521,200	2,421,521,400	(37,700)	2,421,483,700

DEPARTMENTWIDE ADMINISTRATION

Funding for the 3.0% salary and wage increase of \$14,700 GF/GP for non-exclusively represented employees (NEREs) is removed from the Director and Other Unclassified line item.

Federal random moment sampling revenue is increased by \$47,900, in conjunction with a \$32,000 decrease in the federal Byrne Justice Assistance grant and \$15,900 decrease in the federal Safe and Drug Free Schools and Communities grant to reflect actual revenue supporting the Departmental Administration and Management line item. Funds for the Departmental Administration and Management line item are reduced by \$8,200 Gross and increased by \$3,800 GF/GP to finance the cost of a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$348,700 Gross (\$210,500 GF/GP) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supported by the Departmental Administration and Management line item are increased by \$448,700 Gross (\$282,600 GF/GP). Employees' defined contribution retirement costs supported by the Departmental Administration and Management line item are increased by \$77,200 Gross (\$48,500 GF/GP). Employees' insurance costs supported by the Departmental Administration and Management line item are increased by \$217,800 Gross (\$137,100 GF/GP).

Funds for the Departmental Administration and Management line item are increased by \$78,400 Gross (\$44,700 GF/GP) to reflect an economic adjustment for the Interdepartmental Grant from the Department of Community Health within the Department of Energy, Labor, and Economic Growth budget for the State Office of Administrative Hearings and Rules. Funding of \$606,000 Gross (\$303,000 GF/GP) for 5.0 FTE positions within the Appeals Section is transferred from the Departmental Administration and Management line item to the Health Policy, Regulation, and Professions Administration line item to reflect DCH's organizational chart. The Appeals Section staff is involved in the appeals of administrative decisions for enrolled Medicaid providers, and conducts informal conferences. The Bureau of Organizational Support and Services funding of \$193,400 Gross (all GF/GP) that supports 2.0 FTE positions is eliminated. This adjustment is part of an administrative proposal in which funding and staff of DCH are reduced by \$1,210,900 GF/GP and 10.1 FTE positions through the elimination of funding for FTE positions and contracts. The Bureau was responsible for the delivery of mail and record management. Available federal random moment sampling revenue of \$100,000 offsets GF/GP support for the Departmental Administration and Management line item.

A new line item entitled "Departmentwide Health Projects (ARRA)" is created which includes contingency fund authorization of \$5.0 million for ARRA grants that may become available for departmentwide health projects in FY 2010-11.

An economic increase of \$608,100 Gross (\$606,900 GF/GP) is included in the budget for the Worker's Compensation Program line item.

An economic increase of \$168,100 Gross (\$31,400 GF/GP) is included in the budget for the Rent and Building Occupancy line item for rental costs in privately-owned buildings. An economic net reduction of \$83,700 Gross (\$103,400 GF/GP) is included in the budget for the Rent and Building Occupancy line item for rental, security, and operating costs at state-owned buildings.

Funds for the Developmental Disabilities Council and Projects appropriation are reduced by \$3,000 Gross (all federal revenue) to finance the cost of a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$22,100 Gross (all federal revenue) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supported by the Developmental Disabilities Council and Projects appropriation are increased by \$12,600 Gross (all federal revenue). Employees' defined contribution retirement costs supported by the Developmental Disabilities Council and Projects appropriation are increased by \$9,800 Gross (all federal revenue). Employees' insurance costs supported by the Developmental Disabilities Council and Projects appropriation are increased by \$12,500 Gross (all federal revenue).

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces funding for the Director and Other Unclassified line item by \$6,600 Gross (all GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Departmental Administration and Management line item by \$146,800 Gross (\$94,600 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Developmental Disabilities Council and Projects line item by \$10,800 Gross (all federal revenue) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 102. DEPARTMENTWIDE ADMINISTRATION								
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	182.2	175.2	175.2	175.2	175.2	175.2	0.0	175.2
Director and other unclassified--* FTE positions	598,600	598,600	583,900	0	598,600	583,900	0	583,900
* positions in above line	6.0	6.0	6.0	0.0	6.0	6.0	0.0	6.0
Director--* FTE positions	0	0	0	146,500	0	0	0	0
* positions in above line	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Deputy director--* FTE positions	0	0	0	132,000	0	0	0	0
* positions in above line	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Director, office of services to the aging--* FTE positions	0	0	0	106,100	0	0	0	0
* positions in above line	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Public relations liaison--* FTE positions	0	0	0	60,000	0	0	0	0
* positions in above line	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Communications director--* FTE positions	0	0	0	79,000	0	0	0	0
* positions in above line	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Legislative liaison--* FTE positions	0	0	0	75,000	0	0	0	0
* positions in above line	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Departmental administration and management--* FTE positions	22,407,300	22,770,500	22,421,800	16,930,100	22,770,500	22,421,800	0	22,421,800
* positions in above line	172.2	165.2	165.2	165.2	165.2	165.2	0.0	165.2
Worker's compensation program	8,247,100	8,855,200	8,855,200	8,855,200	8,855,200	8,855,200	0	8,855,200
Rent and building occupancy	10,778,100	10,862,500	10,862,500	10,862,500	10,862,500	10,862,500	0	10,862,500
Developmental disabilities council and projects--* FTE positions	2,793,500	2,847,500	2,825,400	2,847,500	2,847,500	2,825,400	0	2,825,400
* positions in above line	10.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0
Departmentwide health projects (ARRA)	0	0	0	0	0	5,000,000	0	5,000,000
GROSS APPROPRIATION	44,824,600	45,934,300	45,548,800	40,093,900	45,934,300	50,548,800	0	50,548,800
Appropriated from:								
Federal revenues:								
Total other federal revenues	13,605,300	13,900,700	13,747,000	13,900,700	13,900,700	13,747,000	0	13,747,000
Federal revenues (ARRA)	0	0	0	0	0	5,000,000	0	5,000,000
Special revenue funds:								
Total private revenues	35,200	35,900	35,900	35,900	35,900	35,900	0	35,900
Total other state restricted revenues	2,366,100	2,514,000	2,507,400	2,514,000	2,514,000	2,507,400	0	2,507,400
State general fund/general purpose	28,818,000	29,483,700	29,258,500	23,643,300	29,483,700	29,258,500	0	29,258,500

MENTAL HEALTH

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
MENTAL HEALTH APPROPRIATION SUMMARY:								
Full-time equated classified positions	2,718.5	2,707.5	2,707.5	2,707.5	2,707.5	2,707.5	0.0	2,707.5
Average population	893.0	893.0	893.0	893.0	893.0	893.0	0.0	893.0
GROSS APPROPRIATION	2,952,895,100	3,016,096,100	3,013,730,000	2,963,815,200	3,022,802,500	3,013,707,700	0	3,013,707,700
Interdepartmental grant revenues:								
IDG-department of corrections	45,489,700	50,727,300	50,527,800	50,727,300	50,727,300	50,527,800	0	50,527,800
IDG-department of human services	1,769,000	1,769,000	1,769,000	1,769,000	1,769,000	1,769,000	0	1,769,000
Total interdepartmental grants and intradepartment	47,258,700	52,496,300	52,296,800	52,496,300	52,496,300	52,296,800	0	52,296,800
ADJUSTED GROSS APPROPRIATION	2,905,636,400	2,963,599,800	2,961,433,200	2,911,318,900	2,970,306,200	2,961,410,900	0	2,961,410,900
Federal revenues:								
Total other federal revenues	1,482,397,800	1,560,026,500	1,559,800,900	1,560,026,500	1,560,026,600	1,557,435,100	0	1,557,435,100
Federal FMAP stimulus (ARRA)	206,753,100	156,076,100	156,054,800	156,076,100	156,076,100	117,604,800	0	117,604,800
Special revenue funds:								
Total local revenues	162,990,500	169,961,800	169,231,300	169,961,800	169,961,800	169,784,400	0	169,784,400
Total private revenues	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	0	1,190,000
Total other state restricted revenues	26,084,900	39,379,500	39,311,100	39,379,500	39,379,500	40,936,500	0	40,936,500
State general fund/general purpose	1,026,220,100	1,036,965,900	1,035,845,100	984,685,000	1,043,672,200	1,074,460,100	0	1,074,460,100

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Available federal Substance Abuse Prevention and Treatment Block grant revenue of \$200,000 to support the Mental Health/Substance Abuse Program Administration line item is recognized. Funding of \$96,200 Gross (all GF/GP) which supports 1.0 vacant FTE position is eliminated from the Mental Health/Substance Abuse Program Administration appropriation. This adjustment is part of an administrative reduction proposal in which funding and staff of DCH are reduced by \$1,210,900 GF/GP and 10.1 FTE positions through the elimination of funding for FTE positions and contracts. The budget recognizes Executive Order 2009-42 in which federal Anti-Drug Abuse and Byrne Justice Assistance grants of \$548,800 are transferred to the Departments of Education and State Police. These federal funds were formerly under the jurisdiction of the Office of Drug Control Policy (ODCP) which was abolished on October 1, 2009 in accordance with Executive Order 2009-2. Ten FTE positions that were part of the ODCP are transferred to the noted state agencies. The budget removes \$170,000 federal Strategic Prevention Framework - State Incentive grant which supported the Mental Health/Substance Abuse Program line item as the grant was completed on September 29, 2010. The purpose of the grant was to build prevention capacity and infrastructure at the state and community levels for preventing the onset and reducing the progression of substance abuse.

Funding for the Mental Health/Substance Abuse Program Administration line item is reduced by \$18,000 Gross (\$4,800 GF/GP) to finance the cost of a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$247,200 Gross (\$182,800 GF/GP) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supported by the Mental Health/Substance Abuse Program Administration line item are increased by \$221,200 Gross (\$171,700 GF/GP). Employees' defined contribution retirement costs supported by the Mental Health/Substance Abuse Program Administration line item are increased by \$87,800 Gross (\$68,200 GF/GP). Employee's insurance costs supported by the Mental Health/Substance Abuse Program Administration line item are increased by \$125,800 Gross (\$97,700 GF/GP).

The enacted budget includes no changes to the Gambling Addiction line item.

The enacted budget includes no changes to the Protection and Advocacy Services Support line item.

As 6 residential leases and 2 residential leases have respectively expired in Oakland County and Macomb County, \$242,500 Gross (all GF/GP) is transferred from the Community Residential and Support Services line item to the Community Mental Health Non-Medicaid Services line item.

The enacted budget includes no changes to the Highway Safety Projects line item.

An increase of \$49,500 in the federal Medicaid Infrastructure grant supporting the Federal and Other Special Projects line item is recognized. The purpose of this grant is to increase competitive employment opportunities for individuals with disabilities. The budget recognizes a \$800,000 reduction in the federal Child Care Development - Child Care Expulsion grant which supports the Federal and Other Special Projects line item. This federal grant which is supported by funds from the Department of Human Services (DHS) improves the quality and availability of childhood services and supports mental and public health consultation services to child care providers. The budget recognizes elimination of the remaining \$1.0 million federal Child Care Development-Child Care Expulsion grant which supported the Federal and Other Special Projects line item. This budgetary adjustment was part of an effort to save GF/GP within the DHS budget.

Projecting a 2.6% caseload increase in the Family Support Subsidy program, TANF funds for this program are increased by \$871,300.

The enacted budget includes no changes to the Housing and Support Services line item.

The budget recognizes Executive Order 2009-42 in which federal Anti-Drug Abuse grants of \$3,274,500 are transferred to the Departments of Education and State Police. These federal funds were formerly under the jurisdiction of the Office of Drug Control Policy (ODCP) which was abolished on October 1, 2009 in accordance with Executive Order 2009-2. This adjustment results in the elimination of the Anti-Drug Abuse Grants line item.

The budget recognizes Executive Order 2009-42 in which the \$720,000 Interdepartmental Grant to Judiciary for Drug Treatment Courts is transferred to the Department of State Police. These federal funds were formerly under the jurisdiction of the ODCP which was abolished on October 1, 2009 in accordance with Executive Order 2009-2. This adjustment results in the elimination of the Interdepartmental Grant to Judiciary for Drug Treatment Courts line item.

FY 2009-10 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2009-42

Executive Order 2009-42 reduces funding for the Mental Health/Substance Abuse Program Administration line item by \$823,200 Gross (all federal revenue) to reflect the transfer of legally mandated duties of the Law Enforcement Grants

Section and the Education Grants Section of the former Office of Drug Control Policy from the Department of Community Health to the Departments of State Police and Education.

Executive Order 2009-42 reduces funding for the Anti-Drug Abuse Grants line item by \$5,300,500 Gross (all federal revenue) to reflect the transfer of legally mandated duties of the Law Enforcement Grants Section and the Education grants Section of the former Office of Drug Control Policy from the Department of Community Health to the Departments of State Police and Education.

Executive Order 2009-42 reduces funding for the Interdepartmental Grant to Judiciary for Drug Treatment Courts by \$1,080,000 (all federal revenue) to reflect the transfer of legally mandated duties of the Law Enforcement Grants Section of the former Office of Drug Control Policy from the Department of Community Health to the Department of State Police.

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces funding for the Mental Health/Substance Abuse Program Administration line item by \$86,200 Gross (\$58,300 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS								
Full-time equated classified positions	118.5	107.5	107.5	107.5	107.5	107.5	0.0	107.5
Mental health/substance abuse program administration	13,868,000	13,917,000	13,669,800	13,917,000	13,917,000	13,669,800	0	13,669,800
* positions in above line	117.5	106.5	106.5	106.5	106.5	106.5	0.0	106.5
Gambling addiction--* FTE positions	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0
Protection and advocacy services support	194,400	194,400	194,400	194,400	194,400	194,400	0	194,400
Community residential and support services	2,136,000	1,893,500	1,893,500	1,893,500	1,893,500	1,893,500	0	1,893,500
Highway safety projects	400,000	400,000	400,000	400,000	400,000	400,000	0	400,000
Federal and other special projects	4,247,700	2,497,200	2,497,200	2,497,200	3,497,200	2,497,200	0	2,497,200
Family support subsidy	18,599,200	19,470,500	19,470,500	19,470,500	19,470,500	19,470,500	0	19,470,500
Housing and support services	9,306,800	9,306,800	9,306,800	9,306,800	9,306,800	9,306,800	0	9,306,800
Anti-drug abuse grants	3,274,500	0	0	0	0	0	0	0
Interdepartmental grant to judiciary for drug treatment	720,000	0	0	0	0	0	0	0
GROSS APPROPRIATION	55,746,600	50,679,400	50,432,200	50,679,400	51,679,400	50,432,200	0	50,432,200
Appropriated from:								
Federal revenues:								
Total federal revenues	40,596,300	35,352,200	35,287,800	35,352,200	35,352,200	35,287,800	0	35,287,800
Special revenue funds:								
Total private revenues	190,000	190,000	190,000	190,000	190,000	190,000	0	190,000
Total other state restricted revenues	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000
State general fund/general purpose	11,960,300	12,137,200	11,954,400	12,137,200	13,137,200	11,954,400	0	11,954,400

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

The budget includes an increase of \$51,240,200 in federal Medicaid revenue supporting the Medicaid Mental Health Services appropriation, in conjunction with corresponding decreases of \$780,000 in QAAP revenue and \$50,460,200 in GF/GP, due to an increase in the Medicaid match rate from 63.19% to 65.79%. Funds for the Medicaid Mental Health Services appropriation are reduced by \$29,090,600 Gross (\$9,951,900 GF/GP) anticipating an average caseload increase of 5.3% in Medicaid eligibles over FY 2008-09. Funds for the Medicaid Mental Health Services appropriation are increased by \$43,493,700 Gross (\$14,074,800 GF/GP) in recognition of the May 17, 2010 Medicaid Revenue Consensus agreement between the House and Senate Fiscal Agencies and State Budget Office. Funds for the Medicaid Mental Health Services appropriation are increased by \$27,160,300 Gross (\$10,983,200 GF/GP) to reflect a 1.4% capitation rate increase and ensure rates are actuarially sound in FY 2010-11. Changes in Medicaid enrollment and the rebasing of current encounter data for PIHPs resulted in a lower capitation payment rate increase than in FY 2009-10. Reversing the FY 2009-10 ARRA FMAP and QAAP revenue adjustments for the Medicaid Mental Health Services line item, ARRA FMAP revenue is reduced by \$198,654,300, QAAP revenue is increased by \$3,024,000, and GF/GP is increased by \$195,630,300. Correcting the FY 2009-10 Medicaid revenue adjustment for the hospital rate adjustor payment for PIHPs, the federal Medicaid revenue is reduced by \$1,455,000 and the ARRA funds are increased by \$1,455,000.

The budget includes an increase of \$110,610,400 in the ARRA funds supporting the Medicaid Mental Health Services appropriation, in conjunction with corresponding decreases of \$1,635,000 in QAAP revenue and \$108,975,400 in GF/GP, due to an annualized average ARRA match rate of 71.24% for FY 2010-11. The budget includes an increase of \$4,546,600 in QAAP revenue supporting the Medicaid Mental Health Services appropriation, with a corresponding decrease in GF/GP, to reflect the transfer of PIHP hospital rate adjustor retainer of 13.2% from the Health Plan Services to Medicaid Mental Health Services. The budget includes a reduction of \$1,311,100 in QAAP revenue supporting the Medicaid Mental Health Services appropriation, with a corresponding increase in GF/GP, to reflect the federal Medicaid match rate adjustment of 63.19% instead of ARRA match rate adjustment for the 13.2% PIHP hospital rate adjustor retainer. The budget includes an increase of \$256,200 in QAAP revenue supporting the Medicaid Mental Health Services appropriation, with a corresponding decrease in GF/GP, to reflect the federal Medicaid match rate adjustment of 65.79% for the 13.2% PIHP hospital rate adjustor retainer. The budget includes an increase of \$1,028,000 in QAAP revenue supporting the Medicaid Mental Health Services appropriation, with a corresponding decrease in GF/GP, projecting an annualized average ARRA match rate of 73.13% for FY 2010-11 for the 13.2% PIHP hospital rate adjustor retainer.

Funding for the Medicaid Mental Health Services line item is reduced by \$146,400 Gross (all GF/GP) due to the elimination of the Transitional Medical Assistance (TMA) Plus program which provides health care coverage, including mental health and substance abuse services, to families with incomes up to 185% of the federal poverty level who are transitioning off Medicaid and are no longer eligible for regular TMA. This adjustment, in conjunction with the TMA adjustments for Medicaid Substance Abuse Services and various line items within the Medical Services appropriation unit, impacts health care coverage for 950 individuals. Funding for the Medicaid Mental Health Services is reduced by \$8,634,600 Gross (\$2,483,300 GF/GP) to reflect a reduction and/or freeze in the enrollment in the federal Home and Community-Based Services Habilitation/Supports Waiver Program by 300 individuals. Under this Medicaid waiver, PIHPs provide services to individuals with developmental disabilities who would otherwise need the level of care provided in an Intermediate Care Facility for Mentally Retarded. The waiver program normally supports an estimated 8,200 unduplicated clients through 7,902 enrollment slots approved by the Centers for Medicare and Medicaid Services.

Funding for the Medicaid Mental Health Services line item is increased by \$15,000,000 Gross (\$0 GF/GP) to recognize an increase in the hospital rate adjustor payment for PIHPs. Funding for the Medicaid Mental Health Services is increased by \$957,400 Gross (\$275,300 GF/GP) to recognize the impact on use tax revenue when the PIHP hospital rate adjustor payment is increased. The QAAP revenue supporting the Medicaid Mental Health Services line item is increased by \$2,095,800, with a corresponding reduction in GF/GP, to reflect savings achieved from the 13.2% retainer when increasing the PIHP hospital rate adjustor payment. The budget includes a net decrease of \$328,000 in the QAAP revenue supporting the Medicaid Mental Health Services line item, with a corresponding net increase of \$328,000 in GF/GP, for the 13.2% hospital rate adjustor retainer in recognition of the annualized average ARRA match rate of 71.24%.

As 6 residential leases and 2 residential leases have respectively expired in Oakland County and Macomb County, \$242,500 Gross (all GF/GP) has been transferred to the Community Mental Health Non-Medicaid Services line item from the Community Residential and Support Services line item. Administrative funding included in the Community Mental Health Non-Medicaid Services line item is reduced by \$3,797,900 Gross (all GF/GP) which is estimated to be 9.1% of the total non-Medicaid administrative costs of \$41.9 million. Funds for non-Medicaid services provided by CMHSPs to persons with mental illness and developmental disabilities are reduced by \$1,637,500 Gross (all GF/GP).

Adjusting for the conversion of the Medicaid Adult Benefits Waiver (ABW) program from SCHIP Title XXI to Medicaid Title XIX waiver (effective January 1, 2010), the ABW conversion's impact on use tax revenue for PIHPs, and the federal government's approval of allowing the utilization of the annualized average ARRA match rate of 71.24% for financing the program, funding for the Medicaid ABW line item is increased by a net amount of \$1,386,000 Gross (\$1,537,800 GF/GP).

The Multicultural Services line item is renamed the "Mental Health Services for Special Populations" line item. Funding for the Mental Health Services for Special Populations line item is increased by \$50,000 Gross (all GF/GP). The additional funds have been allocated to the Chaldean Chamber Foundation.

An increase of \$1,083,600 is included in the enacted budget for the federal Medicaid revenue supporting the Medicaid Substance Abuse Services appropriation, with a corresponding decrease in GF/GP, due to an increase in the Medicaid match rate from 63.19% to 65.79%. Reversing the FY 2009-10 ARRA FMAP adjustment for the Medicaid Substance Abuse Services line item, ARRA FMAP revenue is reduced by \$4,201,000 and GF/GP is increased by \$4,201,000. Funds for the Medicaid Substance Abuse Services appropriation are decreased by \$995,200 Gross (\$340,400 GF/GP) anticipating an average caseload increase of 5.3% from FY 2008-09. Funds for the Medicaid Substance Abuse Services appropriation are increased by \$2,518,000 Gross (\$778,500 GF/GP) in recognition of the May 17, 2010 Medicaid Revenue Consensus agreement between the House and Senate Fiscal Agencies, and State Budget Office. Funding for the Medicaid Substance Abuse Services line item is reduced by \$2,008,600 Gross (\$509,300 GF/GP) to reflect a (4.8%) capitation rate adjustment and ensure rates are actuarially sound in FY 2010-11. Changes in Medicaid enrollment and rebasing of current encounter data for PIHPs resulted in a lower capitation rate adjustment than in FY 2009-10. The budget includes an increase of \$2,340,900 in the ARRA funds supporting the Medicaid Substance Abuse Services line item, with a corresponding reduction in GF/GP, due to annualized average ARRA match rate of 71.24% for FY 2010-11. Funding for the Medicaid Substance Abuse Services line item is reduced by \$15,900 Gross (all GF/GP) due to the elimination of the Transitional Medical Assistance (TMA) Plus program which provides health care coverage, including mental health and substance abuse services, to families with incomes up to 185% of the federal poverty level who are transitioning off Medicaid and are no longer eligible for regular TMA. This adjustment, in conjunction with the TMA adjustments for Medicaid Mental Health Services and various line items within the Medical Services appropriation unit, impacts health care coverage for 950 individuals.

Funding for the CMHSP, Purchase of State Services Contracts line item is reduced by \$732,200 Gross (all GF/GP) to reflect an increase in the federal Medicaid match rate from 63.19% to 65.79% for state hospitals and centers. Reversing the FY 2009-10 ARRA FMAP adjustment for state hospitals and centers, funding for the CMHSP, Purchase of State Services Contracts line item is increased by \$3,382,200 Gross (all GF/GP). Funding for the CMHSP, Purchase of State Services Contracts line item is reduced by \$1,601,800 Gross (all GF/GP) to reflect an annualized ARRA match rate of 71.24% in FY 2010-11 for state hospitals and centers. Funding for the CMHSP, Purchase of State Services Contracts line item is increased by \$5,615,700 Gross (all GF/GP) to finance the cost of 3.0% salary and wage increase for unionized employees, and economic adjustments for employees' defined benefit and contribution retirement and insurance costs, food, gas, fuel and utility costs at state hospitals and centers. Included in this adjustment is the removal of funding for the

3.0% salary and wage increase and related fringe benefit costs of \$640,000 Gross (all GF/GP) for non-exclusively represented employees (NEREs). To finance a 5.0% inflationary adjustment for pharmacy costs at state hospitals and centers, funds for the CMHSP, Purchase of State Services Contracts line item are increased by \$233,500 Gross (all GF/GP).

The enacted budget includes no changes for the Civil Service Charges line item.

Funds for the Federal Mental Health Block Grant appropriation are decreased by \$2,000 Gross (all federal revenue) to finance the cost of a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$7,400 Gross (all federal revenue) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Federal Mental Health Block Grant appropriation are increased by \$5,600 Gross (all federal revenue). Employees' defined contribution retirement costs supporting the Federal Mental Health Block Grant appropriation are increased by \$1,900 Gross (all federal revenue). Employees' insurance costs supporting the Federal Mental Health Block Grant appropriation are increased by \$4,300 Gross (all federal revenue).

The enacted budget includes no changes for the State Disability Assistance Program Substance Abuse Services line item.

The budget includes an increase of \$2,391,700 Gross (all federal revenue) for the Community Substance Abuse Prevention, Education, and Treatment Programs line item in recognition of the FY 2009-10 Medicaid Adult Benefits Waiver (ABW) rate increase. The budget includes an increase of \$4,405,100 Gross (all federal, ARRA, and state restricted revenue) for the Community Substance Abuse Prevention, Education, and Treatment Programs line item due to the increased per member per month (PMPM) payment for substance abuse services and the availability of the enhanced ARRA match rate for the ABW program. The budget includes an increase of \$688,900 Gross (\$198,100 GF/GP) to recognize the availability of additional PIHP use tax revenue for the substance abuse ABW program. Included in the budget is the replacement of one-time carryforward substance abuse licensing and fine revenue of \$950,000 with GF/GP for the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation. Included in the budget is a reduction in the federal revenue authorization of \$806,400 for the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation as the ABW program transitioned from SCHIP Title XXI to Medicaid Title XIC waiver, effective January 1, 2010. Included in the budget is a reduction in the federal revenue authorization of \$269,200 for the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation to annualize the conversion of the ABW to the Medicaid Title XIX waiver. Included in the budget is recognition of the

completion of \$4,551,000 federal Strategic Prevention Framework - State Incentive grant on September 29, 2010 that supported the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation. The purpose of the grant was to build prevention capacity and infrastructure at the state and community levels for preventing the onset and reducing the progression of substance abuse. Funding for the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation is reduced by \$1,636,100 Gross (all GF/GP) which will impact service capacity and administrative funding for substance abuse programs. Included in the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation is a one-time allocation of \$1.0 million GF/GP to enhance the community health outreach program provided by Self-Help Addiction Rehabilitation (SHAR), Inc.

The federal Medicaid revenue supporting the Children's Waiver Home Care Program line item is increased by \$508,300, in conjunction with a corresponding decrease in GF/GP, due to an increase in the Medicaid match rate from 63.19% to 65.79%. The FY 2009-10 ARRA FMAP and corresponding GF/GP adjustment of \$1,970,600 is reversed for the Children's Waiver Home Program appropriation. Federal funds supporting the Children's Waiver Home Care Program line item are increased by \$1.5 million in recognition of physician adjustor payments to CMHSPs. The ARRA revenue supporting the Children's Waiver Home Care Program line item is increased by \$1,066,000, in conjunction with a corresponding decrease in GF/GP, due to an annualized ARRA match rate of 71.24% for FY 2010-11.

Funds for the Nursing Home PAS/ARR-OBRA line item are increased by a net amount of \$2,600 Gross (\$3,000 GF/GP) to finance the cost of a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$10,900 Gross (\$2,700 GF/GP) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Nursing Home PAS/ARR-OBRA line item are increased by \$14,300 Gross (\$6,000 GF/GP). Employees' defined contribution retirement costs supporting the Nursing Home PAS/ARR-OBRA line item are increased by \$4,500 Gross (\$1,900 GF/GP). Employees' insurance costs supporting the Nursing Home PAS/ARR-OBRA line item are reduced by \$7,300 Gross (\$3,100 GF/GP).

The enacted budget includes no changes for the Children with Serious Emotional Disturbance Waiver line item.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 of 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces funding for the CMHSP, Purchase of State Services Contracts line item by \$977,300 Gross (all GF/GP) to reflect savings at state hospitals and centers that will be achieved through employee concession measures (banked leave time and furlough days). The reduction is distributed as follows: \$310,100 for Caro Regional Mental Health Center - Psychiatric Hospital; \$308,800 Kalamazoo Psychiatric Hospital - Adult; \$321,100 for Walter P. Reuther Psychiatric Hospital - Adult; and \$37,300 for Hawthorn Center - Psychiatric Hospital - Children and Adolescents.

Public Act 142 of 2010 reduces funding for the Nursing Home PAS/ARR-OBRA line item by \$6,000 Gross (\$1,500 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

PUBLIC ACT 158 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 158 of 2010 increases FY 2009-10 funding for the Medicaid Mental Health Services line item by \$9,224,200 Gross (\$2,465,600 GF/GP) to reflect caseload, utilization, and inflation costs as determined at the May 17, 2010 Medicaid consensus meeting between the House and Senate Fiscal Agencies and State Budget Office.

Public Act 158 of 2010 increases FY 2009-10 funding for the Medicaid Substance Abuse Services line item by \$652,700 Gross (\$174,500 GF/GP) to reflect caseload, utilization, and inflation costs as determined at the May 17, 2010 Medicaid consensus meeting between the House and Senate Fiscal Agencies and State Budget Office.

PUBLIC ACT 193 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 193 of 2010 increases funding for the Multicultural Services line item by \$400,000 Gross (all GF/GP) for the Chaldean Chamber Foundation to provide supportive services to Chaldean immigrants.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10	30-Sep-10
Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS									
Full-time equated classified positions	9.5	9.5	9.5	9.5	9.5	9.5	0.0	9.5	9.5
Medicaid mental health services	1,970,775,800	2,035,793,800	2,035,793,800	2,035,793,800	2,035,940,200	2,019,515,600	0	2,019,515,600	2,019,515,600
Community mental health non-Medicaid services	287,468,000	283,912,600	283,912,600	230,216,900	283,912,600	282,275,100	0	282,275,100	282,275,100
Medicaid adult benefits waiver	40,000,000	32,054,900	32,054,900	32,054,900	32,055,000	41,386,000	0	41,386,000	41,386,000
Multicultural services	6,823,800	5,459,000	5,459,000	0	0	0	0	0	0
Mental health services for special populations	0	0	0	6,873,800	6,823,800	6,873,800	0	6,873,800	6,873,800
Medicaid substance abuse services	41,676,500	42,917,500	42,917,500	42,917,500	42,933,400	41,174,800	0	41,174,800	41,174,800
CMHSP, purchase of state services contracts	120,833,400	127,817,700	127,177,700	127,817,700	127,817,700	127,730,800	0	127,730,800	127,730,800
Civil service charges	1,499,300	1,499,300	1,499,300	1,499,300	1,499,300	1,499,300	0	1,499,300	1,499,300
Federal mental health block grant--* FTE positions	15,374,900	15,392,100	15,384,700	15,392,100	15,392,100	15,384,700	0	15,384,700	15,384,700
* positions in above line	2.5	2.5	2.5	2.5	2.5	2.5	0.0	2.5	2.5
State disability assistance program substance abu	2,243,100	0	0	0	2,243,100	2,243,100	0	2,243,100	2,243,100
Community substance abuse prevention, educatio	82,292,200	77,421,200	77,421,200	77,421,200	79,357,300	83,515,200	0	83,515,200	83,515,200
Children's waiver home care program	19,549,800	21,049,800	21,049,800	21,049,800	21,049,800	21,049,800	0	21,049,800	21,049,800
Nursing home PAS/ARR-OBRA--* FTE positions	12,116,000	12,155,600	12,144,700	12,155,600	12,155,600	12,144,700	0	12,144,700	12,144,700
* positions in above line	7.0	7.0	7.0	7.0	7.0	7.0	0.0	7.0	7.0
Children with serious emotional disturbance waiver	7,188,000	7,188,000	7,188,000	7,188,000	7,188,000	7,188,000	0	7,188,000	7,188,000
GROSS APPROPRIATION	2,607,840,800	2,662,661,500	2,662,003,200	2,610,380,600	2,668,367,900	2,661,980,900	0	2,661,980,900	2,661,980,900
Appropriated from:									
Interdepartmental grant revenues:									
Interdepartmental grant from the department of hur	1,769,000	1,769,000	1,769,000	1,769,000	1,769,000	1,769,000	0	1,769,000	1,769,000
Federal revenues:									
Total other federal revenues	1,411,168,100	1,495,945,900	1,495,930,300	1,495,945,900	1,495,946,000	1,493,564,500	0	1,493,564,500	1,493,564,500
Federal FMAP stimulus (ARRA)	203,370,900	153,921,200	153,921,200	153,921,200	153,921,200	116,024,300	0	116,024,300	116,024,300
Special revenue funds:									
Total local revenues	25,228,900	25,228,900	25,228,900	25,228,900	25,228,900	25,228,900	0	25,228,900	25,228,900
Total other state restricted revenues	10,753,200	20,655,200	20,655,200	20,655,200	20,655,200	22,280,600	0	22,280,600	22,280,600
State general fund/general purpose	955,550,700	965,141,300	964,498,600	912,860,400	970,847,600	1,003,113,600	0	1,003,113,600	1,003,113,600

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

Included in the budget is an increase of \$732,200 in the federal Medicaid revenue supporting state psychiatric hospitals and centers, in conjunction with a corresponding decrease in CMHSP, Purchase of State Services Contracts deduct, to reflect an increase in the Medicaid match rate from 63.19% to 65.79%. (This adjustment corresponds to \$732,200 reduction for the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.) Included in the budget is an increase of \$1,601,800 in the federal Medicaid revenue supporting state psychiatric hospitals and centers, in conjunction with a corresponding decrease in CMHSP, Purchase of State Services Contracts deduct, to reflect an annualized average ARRA match rate of 71.24% in FY 2010-11. (This adjustment corresponds to \$1,601,800 reduction for the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit). The FY 2009-10 ARRA FMAP and corresponding CMHSP, Purchase of State Services Contracts revenue adjustments of \$3,382,200 are reversed for state psychiatric hospitals and centers. (This adjustment corresponds to \$3,382,200 increase in the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.)

Funds for state psychiatric hospitals and centers are increased by \$1,824,500 Gross (\$1,448,800 CMHSP, Purchase of State Services Contracts) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of the 3.0% salary and wage increase and related fringe benefit costs of \$938,500 Gross (\$640,000 CMHSP Purchase of State Services Contracts) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting state psychiatric hospitals and centers are increased by \$3,011,600 Gross (\$2,229,100 CMHSP, Purchase of State Services Contracts). Employees' defined contribution retirement costs supporting state psychiatric hospitals and centers are increased by \$902,900 Gross (\$703,600 CMHSP, Purchase of State Services Contracts). Employees' insurance costs supporting state psychiatric hospitals and centers are increased by \$1,469,900 Gross (\$1,119,200 CMHSP, Purchase of State Services Contracts). Funds authorized for state psychiatric hospitals and centers are increased by \$78,600 Gross (\$61,500 CMHSP, Purchase of State Services Contracts) as an economic adjustment for clients' food costs. Funds allocated for state psychiatric hospitals and centers are increased by \$69,700 Gross (\$53,500 CMHSP, Purchase of State Services Contracts) as an economic adjustment for gas, fuel, and utility costs. (Economic adjustments for employees' salary and wages, defined benefit and contribution retirement costs, and insurance costs, clients' food costs, and gas, fuel, and utility costs correspond to \$5,615,700 increase in the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.)

Adjustments in the anticipated revenue for state psychiatric hospitals and centers result in a gross net increase of \$900,000 in funding for Walter P. Reuther Psychiatric hospital. Due to the closure of Mt. Pleasant Center on October 10, 2009, gross funding of \$2,465,000 for this facility is eliminated. Funds for state psychiatric hospitals and centers are increased by \$287,500 (\$233,500 CMHSP, Purchase of State Services Contracts) to finance a 5.0% inflationary increase for pharmacy costs. (This adjustment corresponds to \$233,500 increase for CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services appropriation unit.)

Funds for the Center for Forensic Psychiatry are increased by \$109,700 Gross (\$102,400 GF/GP) to finance a 5.0% inflationary adjustment for pharmacy costs at this facility. Funds for the Center for Forensic Psychiatry are increased by \$764,200 Gross (\$719,900 GF/GP) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$32,600 Gross (\$295,300 GF/GP) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Center for Forensic Psychiatry are increased by \$662,800 Gross (\$619,200 GF/GP). Employees' defined contribution retirement costs supporting the Center for Forensic Psychiatry are increased by \$388,900 Gross (\$363,300 GF/GP). Employees' supplemental retirement costs supporting the Center for Forensic Psychiatry are increased by \$429,100 Gross (\$400,900 GF/GP). Employees of the Department of Corrections are covered by a different retirement plan. Employees' insurance costs supporting the Center for Forensic Psychiatry are increased by \$528,600 Gross (\$493,800 GF/GP). As an economic adjustment, funds for the Center for the Forensic Psychiatry are increased by \$16,500 Gross (\$15,400 GF/GP) for clients' food costs. As an economic adjustment, funds for the Center for Forensic Psychiatry are increased by \$19,400 Gross (\$18,200 GF/GP) for gas, fuel, and utility costs.

Interdepartmental grant funds of \$2,168,800 have been added to the Forensic Mental Health Services Provided to the Department of Corrections line item to annualize the costs associated with six outpatient treatment teams. Interdepartmental grant funds of \$566,200 have been added to the Forensic Mental Health Services Provided to the Department of Corrections line item to annualize the costs associated with one residential treatment program. Funding for the Forensic Mental Health Services Provided to the Department of Corrections line item is increased by \$743,000 Gross (interdepartmental grant from DOC) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of the 3.0% salary and wage increase and related fringe benefit costs of \$199,500 Gross (interdepartmental grant from DOC) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$188,600 Gross (interdepartmental grant from DOC). Employees' defined contribution retirement costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by

\$451,400 Gross (interdepartmental grant from DOC). Employees' supplemental retirement costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$542,200 Gross (interdepartmental grant from DOC). Employees of the Department of Corrections are covered by a different retirement plan. Employees' insurance costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$377,900 Gross (interdepartmental grant from DOC).

The enacted budget includes no changes for the Revenue Recapture appropriation.

The enacted budget includes no changes for the IDEA, Federal Special Education appropriation.

The enacted budget includes no changes for the Special Maintenance appropriation.

The enacted budget includes no changes for the Purchase of Medical Services for Residents of Hospitals and Centers appropriation.

The enacted budget eliminates funding of \$2,050,100 Gross (all GF/GP) for the Closed Site, Transition, and Related Costs line item as this was one-time funding for Mt. Pleasant Center for Persons with Developmental Disabilities that closed on October 10, 2009.

The enacted budget includes no changes for the Gifts and Bequests for Patient Living and Treatment Environment appropriation.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces funding for Caro Regional Mental Health Center - Psychiatric Hospital by \$372,400 Gross (\$310,100 CMHSP, Purchase of State Services Contracts) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for Kalamazoo Psychiatric Hospital - Adult by \$406,800 Gross (\$308,800 CMHSP, Purchase of State Services Contracts) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for Walter P. Reuther Psychiatric Hospital - Adult by \$391,100 Gross (\$321,100 CMHSP, Purchase of State Services Contracts) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for Hawthorn Center -Psychiatric Hospital - Children and Adolescents by \$184,800 Gross (\$37,300 CMHSP, Purchase of State Services Contracts) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Center for Forensic Psychiatry by \$344,300 Gross (\$311,800 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Forensic Mental Health Services Provided to the Department of Corrections by \$339,800 Gross (interdepartmental grant from DOC) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES								
Total average population	893.0	893.0	893.0	893.0	893.0	893.0	0.0	893.0
Full-time equated classified positions	2,590.5	2,590.5	2,590.5	2,590.5	2,590.5	2,590.5	0.0	2,590.5
Caro Regional Mental Health Center - psychiatric h	52,809,300	55,267,100	55,012,200	55,267,100	55,267,100	55,012,200	0	55,012,200
* positions in above line	468.3	468	468.3	468.3	468.3	468.3	0.0	468.3
Average population	185.0	185	185.0	185.0	185.0	185.0	0.0	185.0
Kalamazoo Psychiatric Hospital - adult--* FTE posi	51,065,700	53,493,900	53,272,000	53,493,900	53,493,900	53,272,000	0	53,272,000
* positions in above line	483.1	483	483.1	483.1	483.1	483.1	0.0	483.1
Average population	189.0	189	189.0	189.0	189.0	189.0	0.0	189.0
Walter P. Reuther Psychiatric Hospital - adult--* FT	46,659,000	50,087,200	49,818,900	50,087,200	50,087,200	49,818,900	0	49,818,900
* positions in above line	433.3	433	433.3	433.3	433.3	433.3	0.0	433.3
Average population	234.0	234	234.0	234.0	234.0	234.0	0.0	234.0
Hawthorn Center - psychiatric hospital - children an	24,834,000	26,003,000	25,809,600	26,003,000	26,003,000	25,809,600	0	25,809,600
* positions in above line	230.9	231	230.9	230.9	230.9	230.9	0.0	230.9
Average population	75.0	75	75.0	75.0	75.0	75.0	0.0	75.0
Mount Pleasant Center - developmental disabilities	2,465,000	0	0	0	0	0	0	0
Center for forensic psychiatry--* FTE positions	61,286,800	64,528,600	64,206,000	64,528,600	64,528,600	64,206,000	0	64,206,000
* positions in above line	578.6	579	578.6	578.6	578.6	578.6	0.0	578.6
Average population	210.0	210	210.0	210.0	210.0	210.0	0.0	210.0
Forensic mental health services provided to the de	45,489,700	50,727,300	50,527,800	50,727,300	50,727,300	50,527,800	0	50,527,800
* positions in above line	396.3	396	396.3	396.3	396.3	396.3	0.0	396.3
Revenue recapture	750,000	750,000	750,000	750,000	750,000	750,000	0	750,000
IDEA, federal special education	120,000	120,000	120,000	120,000	120,000	120,000	0	120,000
Special maintenance	332,500	332,500	332,500	332,500	332,500	332,500	0	332,500
Purchase of medical services for residents of hosp	445,600	445,600	445,600	445,600	445,600	445,600	0	445,600
Closed site, transition, and related costs	2,050,100	0	0	0	0	0	0	0
Gifts and bequests for patient living and treatment €	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000
GROSS APPROPRIATION	289,307,700	302,755,200	301,294,600	302,755,200	302,755,200	301,294,600	0	301,294,600
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of corr	45,489,700	50,727,300	50,527,800	50,727,300	50,727,300	50,527,800	0	50,527,800
Federal revenues:								
Total other federal revenues	30,633,400	28,728,400	28,582,800	28,728,400	28,728,400	28,582,800	0	28,582,800
Federal FMAP stimulus (ARRA)	3,382,200	2,154,900	2,133,600	2,154,900	2,154,900	1,580,500	0	1,580,500
Special revenue funds:								
CMHSP, purchase of state services contracts	120,833,400	127,817,700	127,177,700	127,817,700	127,817,700	127,730,800	0	127,730,800
Other local revenues	16,928,200	16,915,200	16,824,700	16,915,200	16,915,200	16,824,700	0	16,824,700
Total private revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000
Total other state restricted revenues	12,331,700	15,724,300	15,655,900	15,724,300	15,724,300	15,655,900	0	15,655,900
State general fund/general purpose	58,709,100	59,687,400	59,392,100	59,687,400	59,687,400	59,392,100	0	59,392,100

PUBLIC HEALTH

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
PUBLIC HEALTH APPROPRIATION SUMMARY:								
Full-time equated classified positions	992.6	983.8	983.8	980.3	1,011.1	994.8	0.0	994.8
GROSS APPROPRIATION	592,683,700	607,698,200	606,820,600	608,347,500	624,748,800	634,381,400	(200)	634,381,200
Interdepartmental grant revenues:								
Total interdepartmental grants and intradepartment	1,687,300	1,728,000	1,724,000	1,728,000	1,728,000	1,724,000	0	1,724,000
ADJUSTED GROSS APPROPRIATION	590,996,400	605,970,200	605,096,600	606,619,500	623,020,800	632,657,400	(200)	632,657,200
Federal revenues:								
Total other federal revenues	383,019,700	401,156,300	400,834,000	401,683,100	402,881,800	405,359,500	0	405,359,500
Total federal revenues (ARRA)	2,952,700	0	0	0	0	10,000,000	0	10,000,000
Special revenue funds:								
Total private revenues	66,446,300	73,859,500	73,859,500	73,859,500	82,159,500	82,159,500	0	82,159,500
Total local revenues	5,452,700	5,325,000	5,325,000	5,325,000	5,325,000	5,325,000	0	5,325,000
Total other state restricted revenues	69,143,000	67,388,800	67,049,100	63,756,700	67,838,800	67,499,100	0	67,499,100
State general fund/general purpose	63,982,000	58,240,600	58,029,000	61,995,200	64,815,700	62,314,300	(200)	62,314,100

PUBLIC HEALTH ADMINISTRATION

The Public Health Administration line item is adjusted for employee-related economics including a reduction of \$11,500 Gross (\$4,500 GF/GP) related to salary and wage costs, and increases of \$40,000 Gross (\$39,800 GF/GP) for defined benefit retirement costs, \$3,900 Gross (all GF/GP) for defined contribution retirement costs, and \$11,100 Gross (\$11,000 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. For GF/GP savings, the line is reduced by 1.0 FTE and \$90,000 Gross (all GF/GP) with the elimination of an unfilled vacancy in the public health administration. For GF/GP savings, the line item is reduced by \$66,000 Gross (all GF/GP) with the elimination of funds supporting a contract with Michigan State University for a public health advisor. For GF/GP savings, the line item is reduced by \$20,000 Gross (all GF/GP) with the elimination of funds supporting the annual Michigan's Premier Public Health Conference coordinated by the Michigan Association for Local Public Health. For GF/GP savings, the line item is reduced by \$23,000 Gross (all GF/GP) with elimination of funds which support a contract with Michigan Public Health Institute for chronic disease and injury control program technical assistance services.

The Minority Health Grants and Contracts line item is adjusted for employee-related economics including a reduction of \$300 Gross (\$0 GF/GP) related to salary and wage costs, and increases of \$7,900 Gross (\$0 GF/GP) for defined benefit retirement costs, \$1,100 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$1,900 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

The Promotion of Healthy Behaviors line item is reduced by \$1,400,000 Gross (\$0 GF/GP) to recognize near-completion of a 4-year "Generation with Promise" grant from the W. K. Kellogg Foundation for middle school student-led programs in 8 underserved communities to improve health related behaviors and address health disparities. Grant funds of \$300,000 remain in the line item with a planned grant completion date of March 31, 2011. This funding has supported the Surgeon General position as a 0.25 FTE state employee since FY 2006-07. The funds remaining in the line item for FY 2010-11 will not support a Surgeon General position, which will end on September 30, 2010.

A new line item, Public Health Projects (ARRA), is established with the appropriation of \$5,000,000 Gross (\$0 GF/GP) to recognize 1-time federal American Recovery and Reinvestment Act (ARRA) grant awards. Federal grant awards known at time of budget adoption include \$587,700 to improve infrastructure of public health laboratories, and \$1.05 million for sharing of electronic medical records for the state immunization registry (MCIR). Further ARRA grants are also anticipated.

The Vital Records and Health Statistics line item is adjusted for employee-related economics including increases of \$77,200 Gross (\$0 GF/GP) related to salary and wage costs, \$144,700 Gross (\$0 GF/GP) for defined benefit retirement costs, \$36,700 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$88,300 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. A reduction of \$1,500,000 Gross (\$0 GF/GP) is made to the line item to recognize completion of a 1-time federal Homeland Security Real ID Act grant appropriated in FY 2009-10 to reinforce the interface between driver and birth records, improve birth registry data uniformity for improved authentication, and prevention of related fraud. Two funding adjustments are made to the line item totaling \$0 Gross (\$0 GF/GP) to correct federal and restricted funds authorizations to actual, including an increase of \$1,127,000 of federal Medicaid funds authorization, and a \$1,127,000 reduction of state restricted vital records fee revenue authorization.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces the Public Health Administration line item for FY 2009-10 by \$16,900 Gross (\$13,600 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Minority Health Grants and Contracts line item for FY 2009-10 by \$3,300 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Vital Records and Health Statistics line item for FY 2009-10 by \$50,800 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 106. PUBLIC HEALTH ADMINISTRATION								
Full-time equated classified positions	92.7	91.7	91.7	91.7	91.7	91.7	0.0	91.7
Public health administration--* FTE positions	1,631,300	1,513,800	1,475,800	1,513,800	1,513,800	1,475,800	0	1,475,800
* positions in above line	8.3	7.3	7.3	7.3	7.3	7.3	0.0	7.3
Healthy Michigan fund programs	0	0	0	5,913,600	0	0	0	0
Minority health grants and contracts--* FTE position	1,100,400	1,117,000	1,111,000	617,000	1,117,000	1,111,000	0	1,111,000
* positions in above line	3.0	3.0	3.0	3.0	3.0	3.0	0.0	3.0
Promotion of healthy behaviors	2,375,900	675,900	675,900	675,900	975,900	975,900	0	975,900
Public health projects (ARRA)	0	0	0	0	0	5,000,000	0	5,000,000
Vital records and health statistics--* FTE positions	10,392,000	9,286,000	9,238,900	9,286,000	9,286,000	9,238,900	0	9,238,900
* positions in above line	81.4	81.4	81.4	81.4	81.4	81.4	0.0	81.4
GROSS APPROPRIATION	15,499,600	12,592,700	12,501,600	18,006,300	12,892,700	17,801,600	0	17,801,600
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of hum	1,123,900	1,150,600	1,148,200	1,150,600	1,150,600	1,148,200	0	1,148,200
Federal revenues:								
Total other federal revenues	5,236,900	4,969,200	4,946,900	4,969,200	4,969,200	4,946,900	0	4,946,900
Federal revenues (ARRA)	0	0	0	0	0	5,000,000	0	5,000,000
Special revenue funds:								
Total private revenues	1,700,000	0	0	0	300,000	300,000	0	300,000
Total other state restricted revenues	6,116,000	5,268,200	5,232,500	10,681,800	5,268,200	5,232,500	0	5,232,500
State general fund/general purpose	1,322,800	1,204,700	1,174,000	1,204,700	1,204,700	1,174,000	0	1,174,000

HEALTH POLICY, REGULATION, AND PROFESSIONS

Funds for the Health Systems Administration line item are reduced by \$1.5 million to eliminate excess health systems fees and collections revenue authorization for this line item. Funds for the Health Systems Administration line item are increased by \$1,298,700 in federal Medicare revenue to finance 6.0 FTE positions that are involved in Tier 3 surveyor work for nursing homes and non-long-term care facilities. Funds for the Health Systems Administration line item are increased by \$242,500 Gross (\$49,300 GF/GP) to finance the cost of a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related benefit costs of \$101,400 Gross (\$22,300 GF/GP) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Health Systems Administration line item are increased by \$308,500 Gross (\$64,300 GF/GP). Employees' defined contribution retirement costs supporting the Health Systems Administration line item are increased by \$140,800 Gross (\$29,400 GF/GP). Employees' insurance costs supporting the Health Systems Administration line item are increased by \$187,400 Gross (\$39,000 GF/GP).

Recognizing the completion of the federal Highway Safety Emergency Medical Services (EMS) and Trauma grant on September 30, 2009, funds for the Emergency Medical Services Program State Staff appropriation are reduced by \$225,000. The purpose of the grant was to support creation of a web based collection tool for EMS and trauma information from licensed support agency services in an electronic format. Funds for the Emergency Medical Services Program State Staff appropriation are increased by a net amount of \$2,700 Gross (\$4,900 GF/GP) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$12,900 Gross (\$2,100 GF/GP) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Emergency Medical Services Program State Staff appropriation are increased by \$25,500 Gross (\$11,500 GF/GP). Employees' defined contribution retirement costs supporting the Emergency Medical Services Program State Staff appropriation are increased by \$1,300 Gross (\$600 GF/GP). Employees' insurance costs supporting the Emergency Medical Services Program State Staff appropriation are increased by \$8,800 Gross (\$3,900 GF/GP).

Funds for the Radiological Health Administration line item are increased by \$26,900 Gross (all federal and state restricted revenue) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$13,700 Gross (all federal and state restricted revenue) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Radiological Health Administration line item are increased by \$50,400 Gross (all federal and state restricted revenue). Employees' defined contribution retirement costs supporting the Radiological Health Administration

line item are increased by \$10,600 Gross (all federal and state restricted revenue). Employees' insurance costs supporting the Radiological Health Administration line item are increased by \$25,500 Gross (all federal and state restricted revenue).

The enacted budget includes no changes for the Emergency Medical Services Grants and Services appropriation.

Funds for the Health Professions line item are increased by \$415,200 Gross (all state restricted revenue) to finance 5.0 FTE positions as Public Act 55 of 2009 requires the licensing of physical therapist assistants. The funds for the Health Professions line item are increased by \$450,000 Gross (all state restricted revenue) to finance 5.0 FTE positions that will be responsible for reducing the Medical Marijuana Program's licensing backlog. Funds for the Health Professions line item are increased by \$82,600 Gross (all federal and state restricted revenue) to finance the cost of a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$147,100 Gross (all federal and state restricted revenue) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Health Professions line item are increased by \$195,100 Gross (all federal and state restricted revenue). Employees' defined contribution retirement costs supporting the Health Professions line item are increased by \$99,300 Gross (all federal and state restricted revenue). Employees' insurance costs supporting the Health Professions line item are increased by \$137,900 Gross (all federal and state restricted revenue).

Funding for the Background Check Program line item is increased by \$3,800 Gross (\$3,100 GF/GP) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$8,300 Gross (\$6,600 GF/GP) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supported by the Background Check Program line item are increased by \$6,500 Gross (\$5,200 GF/GP). Employees' defined contribution retirement costs supported by the Background Check Program line item are increased by \$6,800 Gross (\$5,400 GF/GP). Employees' insurance costs supported the Background Check Program line item are increased by \$7,300 Gross (\$5,800 GF/GP).

Funding of \$606,000 Gross (\$303,000 GF/GP) for 5.0 FTE positions within the Appeals Section is transferred from the Departmental Administration and Management line item to the Health Policy, Regulation, and Professions Administration line item to reflect DCH's organizational chart. The Appeals Section's staff is involved in the appeals of administrative decisions for enrolled Medicaid providers, and conducts informal conferences. Funding for the Health Policy, Regulation, and Professions Administration appropriation is increased by \$12,400 Gross and reduced by \$1,200 GF/GP to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the

3.0% salary and wage increase and related fringe benefit costs of \$53,100 Gross (\$33,200 GF/GP) for non-exclusively represented employees (NEREs). Employees' defined benefits retirement costs supporting the Health Policy, Regulation, and Professions Administration line item are increased by \$62,900 Gross (\$30,700 GF/GP). Employees' defined contribution retirement costs supporting the Health Policy, Regulation, and Professions Administration line item are increased by \$25,000 Gross (\$12,200 GF/GP). Employees' insurance costs supporting the Health Policy, Regulation, and Professions Administration line item are increased by \$36,000 Gross (\$17,500 GF/GP). The Health Policy, Regulation, and Professions Administration line item is renamed "Health Policy and Regulation Administration"; however, PA 187 of 2010 (Enrolled SB 1152) indicates "Health Policy and Regulation".

Funds for the Nurse Scholarship, Education, and Research Program line item are reduced by \$2,800 Gross (all state restricted revenue) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$10,000 Gross (all state restricted revenue) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Nurse Scholarship, Education, and Research Program line item are increased by \$6,700 Gross (all state restricted revenue). Employees' defined contribution retirement costs supporting the Nurse Scholarship, Education, and Research Program line item are increased by \$2,900 Gross (all state restricted revenue). Employees' insurance costs supporting the Nurse Scholarship, Education, and Research Program line item are increased by \$2,700 Gross (all state restricted revenue).

Funds for the Certificate of Need (CON) Program Administration appropriation are increased by \$300 Gross (all state restricted revenue) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$27,600 Gross (all state restricted revenue) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the CON Program Administration appropriation are increased by \$26,700 Gross (all state restricted revenue). Employees' defined contribution retirement costs supporting the CON Program Administration appropriation are increased by \$10,700 Gross (all state restricted revenue). Employees' insurance costs supporting the CON Program Administration appropriation are increased by \$15,000 Gross (all state restricted revenue).

Funds for the Rural Health Services line item are reduced by \$600 Gross (all federal revenue) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$2,200 Gross (all federal revenue) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Rural Health Services line item are increased by \$1,100 Gross (all federal revenue). Employees' defined contribution retirement costs supporting the Rural

Health Services line item are increased by \$800 Gross (all federal revenue). Employees' insurance costs supporting the Rural Health Services line item are increased by \$400 Gross (all federal revenue).

Continuing the phase-out of support for the Michigan Essential Health Provider Program which assists primary care providers who practice in medically underserved and health professional shortage areas in the repayment of health education loans, funding for the line item is reduced by \$452,400 Gross (\$150,500 GF/GP).

Funds for the Primary Care Services line item are increased by \$1,800 Gross (all federal revenue) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$1,000 Gross (all federal revenue) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supported by the Primary Care Services line item are increased by \$1,100 Gross (all federal revenue). Employees' defined contribution retirement costs supported by the Primary Care Services line item are increased by \$1,800 Gross (all federal revenue). Employees' insurance costs supported by the Primary Care Services line item are increased by \$800 Gross (all federal revenue). The Primary Care Services line item includes restoration of funding (\$75,000 GF/GP) for Helen M. Nickless Volunteer Clinic as funding for this clinic was vetoed in the FY 2009-10 appropriation act for the DCH.

One-time ARRA grants of \$130,000 for the recruitment and retention of health care professions in under-served communities is eliminated from the Primary Care Services (ARRA) line item. The enacted budget includes contingency fund authorization of \$5.0 million for various ARRA grants that may become available for primary care services in FY 2010-11.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 140 OF 2009 SUPPLEMENTAL ACTIONS

Public Act 140 of 2009 restores funding of \$2,025,000 Gross (\$745,400 GF/GP) that was eliminated from the Primary Care Services line item in Public Act 131 of 2009, the FY 2009-10 appropriation act for the DCH. This DSH payment to Bronson Methodist Hospital supports primary care services provided by ACCESS, Arab American Chaldean, Center for Family Health, Cherry Street Health Services, Community Health and Social Services, Hamilton Family Health Center, and North Oakland Medical Center.

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL ACTIONS

Public Act 142 of 2010 reduces funding for the Health Systems Administration line item by \$141,900 Gross (\$31,800 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Emergency Medical Services Program State Staff by \$8,300 Gross (\$2,700 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Radiological Health Administration line item by \$24,000 Gross (\$0 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Health Professions line item by \$111,000 Gross (\$0 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Background Check Program line item by \$3,900 Gross (\$3,100 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Health Policy, Regulation, and Professions Administration line item by \$22,800 Gross (\$13,600 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

Public Act 142 of 2010 reduces funding for the Certificate of Need Program Administration line item by \$15,200 Gross (\$0 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS								
Full-time equated classified positions	420.6	430.6	430.6	428.1	441.6	441.6	0.0	441.6
Health systems administration--* FTE positions	20,644,300	20,124,900	20,023,500	20,124,900	21,423,600	21,322,200	0	21,322,200
* positions in above line	193.6	193.6	193.6	193.6	199.6	199.6	0.0	199.6
Emergency medical services program state staff--*	1,495,000	1,321,200	1,308,300	1,321,200	1,321,200	1,308,300	0	1,308,300
* positions in above line	8.5	8.5	8.5	8.5	8.5	8.5	0.0	8.5
Radiological health administration--* FTE positions	2,947,400	3,074,500	3,060,800	3,074,500	3,074,500	3,060,800	0	3,060,800
* positions in above line	21.4	21.4	21.4	21.4	21.4	21.4	0.0	21.4
Emergency medical services grants and services	660,000	660,000	660,000	660,000	660,000	660,000	0	660,000
Health professions--* FTE positions	24,598,200	25,675,400	25,528,300	25,467,800	26,125,400	25,978,300	0	25,978,300
* positions in above line	147.0	152.0	152.0	149.5	157.0	157.0	0.0	157.0
Background check program--* FTE positions	2,681,000	579,900	571,600	2,713,700	2,713,700	2,705,400	0	2,705,400
* positions in above line	5.5	5.5	5.5	5.5	5.5	5.5	0.0	5.5
Health policy, regulation, and professions administration	2,985,800	3,781,200	3,728,100	3,781,200	3,781,200	3,728,100	0	3,728,100
* positions in above line	25.2	30.2	30.2	30.2	30.2	30.2	0.0	30.2
Nurse scholarship, education, and research program	1,718,300	1,737,800	1,727,800	1,737,800	1,737,800	1,727,800	0	1,727,800
* positions in above line	3.0	3.0	3.0	3.0	3.0	3.0	0.0	3.0
Certificate of need program administration--* FTE	1,955,700	2,036,000	2,008,400	2,036,000	2,036,000	2,008,400	0	2,008,400
* positions in above line	14.0	14.0	14.0	14.0	14.0	14.0	0.0	14.0
Rural health services--* FTE positions	1,405,700	1,409,600	1,407,400	1,409,600	1,409,600	1,407,400	0	1,407,400
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0
Michigan essential health provider	1,325,100	872,700	872,700	872,700	872,700	872,700	0	872,700
Primary care services--* FTE positions	4,268,800	4,175,300	4,174,300	4,250,300	4,275,300	4,349,300	0	4,349,300
* positions in above line	1.4	1.4	1.4	1.4	1.4	1.4	0.0	1.4
Primary care services (ARRA)	130,000	0	0	0	0	5,000,000	0	5,000,000
GROSS APPROPRIATION	66,815,300	65,448,500	65,071,200	67,449,700	69,431,000	74,128,700	0	74,128,700
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of treasury	116,300	116,300	116,300	116,300	116,300	116,300	0	116,300
Federal revenues:								
Total other federal revenues	24,402,600	24,664,600	24,573,300	25,091,400	26,390,100	26,298,800	0	26,298,800
Federal revenues (ARRA)	130,000	0	0	0	0	5,000,000	0	5,000,000
Special revenue funds:								
Total local revenues	227,700	100,000	100,000	100,000	100,000	100,000	0	100,000
Total private revenues	455,000	455,000	455,000	455,000	455,000	455,000	0	455,000
Total other state restricted revenues	31,606,600	31,544,200	31,322,400	31,336,600	31,994,200	31,772,400	0	31,772,400
State general fund/general purpose	9,877,100	8,568,400	8,504,200	10,350,400	10,375,400	10,386,200	0	10,386,200

INFECTIOUS DISEASE CONTROL

The AIDS Prevention, Testing, and Care Programs line item is adjusted for employee-related economics including increases of \$8,600 Gross (\$0 GF/GP) related to salary and wage costs, \$71,800 Gross (\$0 GF/GP) for defined benefit retirement costs, \$13,300 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%, and a reduction of \$20,700 Gross (\$0 GF/GP) for defined contribution retirement costs. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. The line item is increased by \$11,834,100 Gross (\$0 GF/GP) of private funds authorization to recognize growth in funds received from pharmaceutical manufacturers for rebates on AIDS and HIV medications used by the AIDS Drug Assistance Program (ADAP). The line item is increased by \$1,166,300 Gross (\$0 GF/GP) to recognize additional funding anticipated from the ongoing federal Ryan White Part B grant for HIV/AIDS referral and care.

The Immunization Local Agreements line item is reduced by \$265,100 Gross (all GF/GP) for GF/GP savings, including a \$215,100 reduction in funding for technical and program assistance for the Michigan Care Improvement Immunization Registry (MCIR), and \$50,000 savings from consolidation of immunization information technology network servers.

The Immunization Program Management and Field Support line item is adjusted for employee-related economics including increases of \$5,100 Gross (\$4,500 GF/GP) related to salary and wage costs, \$24,000 Gross (\$7,200 GF/GP) for defined benefit retirement costs, \$13,000 Gross (\$3,900 GF/GP) for defined contribution retirement costs, and \$17,300 Gross (\$5,200 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

The Pediatric AIDS Prevention and Control line item is adjusted for employee-related economics including increases of \$2,200 Gross (\$0 GF/GP) related to salary and wage costs, \$1,800 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$900 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

There are no changes to the Sexually Transmitted Disease Control Local Agreements line item.

The Sexually Transmitted Disease Control Management and Field Support line item is adjusted for employee-related economics including increases of \$33,600 Gross (\$42,500 GF/GP) related to salary and wage costs, \$51,000 Gross (all GF/GP) for defined benefit retirement costs, \$12,000 Gross (all GF/GP) for defined contribution retirement costs, and \$23,800 Gross (all GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3%

increases for unionized employees; non-bargaining employees did not receive salary increases. For GF/GP savings, the line item is reduced by 1.0 FTE and \$101,200 Gross (all GF/GP) with the elimination of a vacant position in the sexually transmitted disease control program administration. A net \$0 Gross (reduction of \$71,100 GF/GP) adjustment is made to the line item, replacing \$71,100 of GF/GP funding with \$71,100 of state restricted Michigan Health Initiative funding, for GF/GP savings; the Michigan Health Initiative funds are available from elimination of a position in the Health Education, Promotion, and Research Programs line item (rolled up in the budget into the Chronic Disease Prevention line item) in the Chronic Disease and Injury Prevention and Health Promotion appropriation unit.

The Infectious Disease Control (ARRA) line item is eliminated with removal of \$2,822,700 Gross (\$0 GF/GP) due to completion of three 1-time federal American Recovery and Reinvestment Act (ARRA) grant awards first funded in FY 2009-10, including \$2,352,700 Gross (\$0 GF/GP) to support vaccine administration at local health departments and increase child and adult vaccinations, \$160,000 Gross (\$0 GF/GP) to improve data quality and support epidemiologic analysis of immunization data in the Michigan Care Improvement Registry, and \$310,000 Gross (\$0 GF/GP) for a surveillance and prevention program to reduce healthcare-associated infections in hospitals and in the community.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces the AIDS Prevention, Testing, and Care Programs line item for FY 2009-10 by \$7,500 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Immunization Program Management and Field Support line item for FY 2009-10 by \$10,300 Gross (\$1,900 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Sexually Transmitted Disease Control Management and Field Support line item for FY 2009-10 by \$12,000 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

PUBLIC ACT 158 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 158 of 2010 increases the AIDS Prevention, Testing, and Care Programs line item for FY 2009-10 by \$5,000,000 Gross (\$0 GF/GP) to recognize additional private funds received from pharmaceutical manufacturers as rebates on medications used by the HIV/AIDS Drug Assistance program (ADAP) which serves about 2,200 uninsured and underinsured people living with HIV/AIDS. Rebate revenue continues to increase as new and brand name drug therapies are primarily used in treatment.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 108. INFECTIOUS DISEASE CONTROL								
Full-time equated classified positions	51.7	50.7	50.7	50.7	50.7	50.7	0.0	50.7
AIDS prevention, testing, and care programs--* FTE	41,367,600	46,456,800	46,441,000	46,456,800	54,456,800	54,441,000	0	54,441,000
* positions in above line	12.7	12.7	12.7	12.7	12.7	12.7	0.0	12.7
Immunization local agreements	13,990,300	13,725,200	13,725,200	11,975,200	13,725,200	13,725,200	0	13,725,200
Immunization program management and field supp	2,035,500	2,119,000	2,094,900	1,764,100	2,119,000	2,094,900	0	2,094,900
* positions in above line	15.0	15.0	15.0	15.0	15.0	15.0	0.0	15.0
Pediatric AIDS prevention and control--* FTE posit	1,226,400	1,231,300	1,231,300	1,231,300	1,231,300	1,231,300	0	1,231,300
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0
Sexually transmitted disease control local agreeme	3,360,700	3,360,700	3,360,700	3,360,700	3,360,700	3,360,700	0	3,360,700
Sexually transmitted disease control management	3,716,500	3,744,600	3,735,700	3,744,600	3,744,600	3,735,700	0	3,735,700
* positions in above line	23.0	22.0	22.0	22.0	22.0	22.0	0.0	22.0
Infectious disease control (ARRA)	2,822,700	0	0	0	0	0	0	0
GROSS APPROPRIATION	68,519,700	70,637,600	70,588,800	68,532,700	78,637,600	78,588,800	0	78,588,800
Appropriated from:								
Federal revenues:								
Total other federal revenues	42,128,500	43,447,000	43,433,200	43,447,000	43,447,000	43,433,200	0	43,433,200
Federal revenues (ARRA)	2,822,700	0	0	0	0	0	0	0
Special revenue funds:								
Total private revenues	10,873,600	14,707,700	14,707,700	14,707,700	22,707,700	22,707,700	0	22,707,700
Total other state restricted revenues	9,535,200	9,606,300	9,575,500	7,501,400	9,606,300	9,575,500	0	9,575,500
State general fund/general purpose	3,159,700	2,876,600	2,872,400	2,876,600	2,876,600	2,872,400	0	2,872,400

LABORATORY SERVICES

The Laboratory Services line item is adjusted for employee-related economics including increases of \$151,200 Gross (\$100,600 GF/GP) related to salary and wage costs, \$269,900 Gross (\$183,600 GF/GP) for defined benefit retirement costs, \$55,000 Gross (\$37,500 GF/GP) for defined contribution retirement costs, and \$135,300 Gross (\$92,000 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. An increase of \$50,600 Gross (\$0 GF/GP) is made to the line item to recognize a new 5-year federal grant for Enterics Research Investigational Network Cooperative Research Centers, to further research on enteric agents that cause gastrointestinal disease and long-term complications affecting public health; DCH lab will test specimens from hospitals, and share test results with Michigan State University for further study. The line item is reduced by \$1,200,000 Gross (\$0 GF/GP) to recognize projected actual revenue from newborn screening fees, reducing fee revenue authorization from \$6.5 million to \$5.3 million. For GF/GP savings, the line item is reduced by 7.0 FTEs and \$711,800 Gross (all GF/GP) with the elimination of state public health laboratory testing services for parasitology for immigrants and refugees submitted by local health departments, and mycology (fungal infection) testing of specimens from hospitals. For GF/GP savings, the line item is reduced by 6.0 FTEs and \$350,000 Gross (all GF/GP) to reduce state funding for the regional public health laboratory in Houghton, one of five regional laboratories under the state laboratory system; intent is to phase out state funding over 2 years while Houghton lab is transitioned to local control, providing state funding of \$250,000 this year and in FY 2011-12, and eliminating funding in FY 2012-13.

In this appropriation unit, the interdepartmental grant revenue fund source name is changed from Department of Environmental Quality to Department of Natural Resources and Environment to reflect consolidation of the Department of Environmental Quality with the Department of Natural Resources pursuant to Executive Order 2009-45, effective January 17, 2010.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces the Laboratory Services line item for FY 2009-10 by \$98,500 Gross (\$70,900 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 109. LABORATORY SERVICES								
Full-time equated classified positions	122.0	109.0	109.0	109.0	122.0	109.0	0.0	109.0
Laboratory services--* FTE positions	18,439,100	16,653,600	16,589,300	16,653,600	17,965,400	16,839,300	0	16,839,300
* positions in above line	122.0	109.0	109.0	109.0	122.0	109.0	0.0	109.0
GROSS APPROPRIATION	18,439,100	16,653,600	16,589,300	16,653,600	17,965,400	16,839,300	0	16,839,300
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of natu	447,100	461,100	459,500	461,100	461,100	459,500	0	459,500
Federal revenues:								
Total federal revenues	1,683,600	1,818,100	1,818,100	1,818,100	1,818,100	1,818,100	0	1,818,100
Special revenue funds:								
Total other state restricted revenues	9,048,100	7,966,400	7,949,500	7,966,400	7,966,400	7,949,500	0	7,949,500
State general fund/general purpose	7,260,300	6,408,000	6,362,200	6,408,000	7,719,800	6,612,200	0	6,612,200

EPIDEMIOLOGY

There are no changes to the AIDS Surveillance and Prevention Program line item.

The Asthma Prevention and Control line item is adjusted for employee-related economics including increases of \$5,600 Gross (\$0 GF/GP) related to salary and wage costs, \$4,400 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$3,600 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

The Bioterrorism Preparedness line item is adjusted for employee-related economics including increases of \$47,200 Gross (\$0 GF/GP) related to salary and wage costs, \$50,100 Gross (\$0 GF/GP) for defined benefit retirement costs, \$87,800 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$79,700 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

The Epidemiology Administration line item is adjusted for employee-related economics including increases of \$36,800 Gross (\$1,700 GF/GP) related to salary and wage costs, \$56,200 Gross (\$26,100 GF/GP) for defined benefit retirement costs, \$42,800 Gross (\$19,900 GF/GP) for defined contribution retirement costs, and \$48,300 Gross (\$22,500 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. Federal funding is reduced by \$100,200 Gross (\$0 GF/GP) to recognize completion of the 5-year federal Hazardous Substances Emergency Events Surveillance (HSEES) grant to reduce injury and death from hazardous substance events, first included in the budget in FY 2005-06 in the AIDS Surveillance and Prevention program appropriation. The line item is increased by \$300,000 Gross (\$0 GF/GP) to recognize an increase in funds from the federal arthritis grant including funds for lupus, being used primarily for development of the Michigan Lupus Epidemiology and Surveillance Program and Registry to identify cases of Systemic Lupus Erythematosus (SLE) as part of the National Arthritis Action Plan. For GF/GP savings, the line item is reduced by 1.0 FTE and \$79,400 Gross (all GF/GP), with the elimination of one vacant state administrative manager position in the epidemiology program administration. For GF/GP savings, the line item is reduced by 1.3 FTEs and \$137,500 Gross (all GF/GP), with the elimination of a cancer cluster investigator position to track excessive cancer levels in communities, and the elimination of toxic chemical cohort follow-up. For GF/GP savings, the line item is reduced by 1.0 FTE and \$122,100 Gross (all GF/GP) with the elimination of one wildlife biologist position in the epidemiology program administration and funds supporting one contractual epidemiologist, impacting the state's ability to respond to zoonotic disease outbreaks such as avian influenza or West Nile Virus. For GF/GP savings, the line item is reduced by \$29,000 Gross (all GF/GP),

with the elimination of funding for student interns in the epidemiology program administration. For GF/GP savings, the line item is reduced by \$85,000 Gross (all GF/GP), with the elimination of supplemental funding provided to local health departments and hospitals for difficult cases of tuberculosis, referred to as the TB Subsidy At Large Program.

The Lead Abatement Program line item is adjusted for employee-related economics including increases of \$6,500 Gross (\$0 GF/GP) related to salary and wage costs, \$8,400 Gross (\$0 GF/GP) for defined benefit retirement costs, \$6,700 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$10,700 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. The line item is increased by \$212,400 Gross (\$0 GF/GP) to recognize increased state restricted fee revenue from certification applications for professional lead abatement workers, supervisors, and contractors; the funds are used to meet the increased demand for the certification program including costs for staff, publications, training, and certification.

The Newborn Screening Follow-Up and Treatment Services line item is adjusted for employee-related economics including increases of \$9,600 Gross (\$0 GF/GP) related to salary and wage costs, \$3,000 Gross (\$0 GF/GP) for defined benefit retirement costs, \$14,500 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$11,400 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

There are no changes to the Tuberculosis Control and Prevention line item.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces the Bioterrorism Preparedness line item for FY 2009-10 by \$55,800 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Epidemiology Administration line item for FY 2009-10 by \$37,800 Gross (\$19,400 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Lead Abatement Program line item for FY 2009-10 by \$5,200 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Newborn Screening Follow-up and Treatment Services line item for FY 2009-10 by \$11,300 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 110. EPIDEMIOLOGY								
Full-time equated classified positions	131.0	127.7	127.7	127.7	131.0	127.7	0.0	127.7
AIDS surveillance and prevention program	2,254,100	2,254,100	2,254,100	2,254,100	2,254,100	2,254,100	0	2,254,100
Asthma prevention and control--* FTE positions	843,500	857,100	857,100	857,100	857,100	857,100	0	857,100
* positions in above line	2.6	2.6	2.6	2.6	2.6	2.6	0.0	2.6
Bioterrorism preparedness--* FTE positions	48,905,100	49,259,700	49,169,900	49,259,700	49,259,700	49,169,900	0	49,169,900
* positions in above line	68.6	68.6	68.6	68.6	68.6	68.6	0.0	68.6
Epidemiology administration--* FTE positions	8,112,400	8,090,500	8,043,300	8,090,500	8,543,500	8,043,300	0	8,043,300
* positions in above line	42.3	39.0	39.0	39.0	42.3	39.0	0.0	39.0
Lead abatement program--* FTE positions	2,191,300	2,442,500	2,436,000	2,442,500	2,442,500	2,436,000	0	2,436,000
* positions in above line	7.0	7.0	7.0	7.0	7.0	7.0	0.0	7.0
Newborn screening follow-up and treatment service	4,692,100	4,740,800	4,730,600	4,740,800	4,740,800	4,730,600	0	4,730,600
* positions in above line	10.5	10.5	10.5	10.5	10.5	10.5	0.0	10.5
Tuberculosis control and prevention	867,000	867,000	867,000	867,000	867,000	867,000	0	867,000
GROSS APPROPRIATION	67,865,500	68,511,700	68,358,000	68,511,700	68,964,700	68,358,000	0	68,358,000
Appropriated from:								
Federal revenues:								
Total federal revenues	60,390,800	61,104,800	61,002,200	61,104,800	61,104,800	61,002,200	0	61,002,200
Special revenue funds:								
Total private revenues	25,000	25,000	25,000	25,000	25,000	25,000	0	25,000
Total other state restricted revenues	5,295,200	5,572,800	5,559,100	5,572,800	5,572,800	5,559,100	0	5,559,100
State general fund/general purpose	2,154,500	1,809,100	1,771,700	1,809,100	2,262,100	1,771,700	0	1,771,700

LOCAL HEALTH ADMINISTRATION AND GRANTS

There are no changes to the Implementation of 1993 PA 133, MCL 333.17015 line item.

The Local Health Services line item is increased by \$500,000 Gross (\$0 GF/GP) to recognize a new 5-year federal Patient Protection and Affordable Care Act (ACA) grant award of \$400,000 for Strengthening Public Health Infrastructure for Improved Health Outcomes to enable states to meet national public health standards.

For GF/GP savings, the Local Public Health Operations line item is reduced by \$1,000,000 Gross (all GF/GP), reducing funds to local health departments for state and local cost-shared services related to immunizations, infectious disease control, sexually transmitted disease control, food protection, water supply protection and on-site sewage management. The line item name is changed to "Essential Local Public Health Services".

There are no changes to the Medicaid Outreach Cost Reimbursement to Local Health Departments line item.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS								
Essential local public health services	0	0	0	0	0	39,082,800	0	39,082,800
Implementation of 1993 PA 133, MCL 333.17015	20,000	20,000	20,000	20,000	20,000	20,000	0	20,000
Local health services	100,000	100,000	100,000	0	100,000	600,000	0	600,000
Local public health operations	40,082,800	37,379,700	37,379,700	39,082,800	40,082,800	0	0	0
Medicaid outreach cost reimbursement to local health departments	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	0	9,000,000
GROSS APPROPRIATION	49,202,800	46,499,700	46,499,700	48,102,800	49,202,800	48,702,800	0	48,702,800
Appropriated from:								
Federal revenues:								
Total federal revenues	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,500,000	0	9,500,000
Special revenue funds:								
Total local revenues	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000	0	5,150,000
Total other state restricted revenues	100,000	100,000	100,000	0	100,000	100,000	0	100,000
State general fund/general purpose	34,952,800	32,249,700	32,249,700	33,952,800	34,952,800	33,952,800	0	33,952,800

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

There are no changes to the Alzheimer's Information Network line item.

The Cancer Prevention and Control Program line item is adjusted for employee-related economics including increases of \$12,200 Gross (\$0 GF/GP) related to salary and wage costs, \$5,500 Gross (\$0 GF/GP) for defined benefit retirement costs, \$15,600 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$12,800 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. The line item is increased by \$204,600 Gross (\$0 GF/GP) to recognize increased funds from the ongoing federal Well Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN) grant, for cardiovascular and chronic disease screening and referrals.

The Chronic Disease Prevention line item is renamed to "Chronic Disease Control and Health Promotion Administration". The line item is increased by 6.5 FTEs and \$829,600 Gross (\$435,800 GF/GP) with the rollup of all funding and staff from the Health Education, Promotion, and Research Programs line item, which is eliminated; the transferred funding and staff support administration and infrastructure for health promotion, education, and chronic disease and prevention. The line item is adjusted for employee-related economics including increases of \$20,600 Gross (\$3,800 GF/GP) related to salary and wage costs, \$32,000 Gross (\$4,500 GF/GP) for defined benefit retirement costs, \$28,000 Gross (\$3,900 GF/GP) for defined contribution retirement costs, and \$30,500 Gross (\$4,300 GF/GP) for overall insurance cost increases of 9.0%; these adjustments include economics costs for FTEs transferred from the Health Education line item. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. The line item is increased by \$469,500 Gross (\$0 GF/GP) to recognize an increase in the federal Obesity Prevention grant from \$482,500 to \$952,000. The line item is increased by \$40,000 Gross (\$0 GF/GP) for a new 5-year federal public health Healthy Communities grant to promote physical activity and healthy lifestyles to prevent chronic disease for the general population through community efforts. For GF/GP savings, the line item is reduced by 0.8 FTEs and \$71,100 Gross (\$0 GF/GP) of state restricted Michigan Health Initiative funds with the elimination of a position which supports the fall prevention program; the savings are moved to the Sexually Transmitted Disease Control Management and Field Support line item to replace GF/GP for GF savings. Note that this eliminated position was part of the rollup from the Health Education line item.

The Diabetes and Kidney Program line item is adjusted for employee-related economics including increases of \$17,300 Gross (\$0 GF/GP) related to salary and wage costs, \$8,300 Gross (\$0 GF/GP) for defined benefit retirement costs, \$16,700 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$15,100 Gross (\$0 GF/GP) for overall insurance

cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

The Health Education, Promotion, and Research Programs line item is eliminated with the transfer of all FTEs and funds, 6.5 FTEs and \$829,600 Gross (\$435,800 GF/GP), to the Chronic Disease Prevention line item. This line item supports administration and infrastructure for health promotion, education, and chronic disease and prevention. All FTE-related economics adjustments are made to the new rolled up line item.

The Injury Control Intervention Project line item is restored with the appropriation of \$200,000 Gross (\$100,000 GF/GP) for a traumatic brain injury pilot treatment model program that was vetoed by the Governor in the FY 2009-10 budget. The appropriation includes \$100,000 of federal match funding. The program was previously funded in FY 2008-09. See also related boilerplate Sec. 1031.

The Public Health Traffic Safety Coordination line item is adjusted for employee-related economics including increases of \$2,000 Gross (\$0 GF/GP) related to salary and wage costs, \$1,600 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$1,300 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. A reduction of \$162,500 Gross (\$0 GF/GP) is made to the line item to reflect actual funds available from the federal grant for state and community highway safety - child passenger safety training and education, reducing the grant authorization from \$357,500 to \$195,000.

The Smoking Prevention Program line item is adjusted for employee-related economics including increases of \$15,600 Gross (\$0 GF/GP) related to salary and wage costs, \$19,100 Gross (\$0 GF/GP) for defined benefit retirement costs, \$14,500 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$17,000 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. The line item is reduced by \$85,000 Gross (\$0 GF/GP) to recognize completion of a private grant from the American Legacy Foundation which supported a statewide smoking cessation hotline, funded since FY 2004-05.

The Violence Prevention line item is adjusted for employee-related economics including increases of \$4,300 Gross (\$0 GF/GP) related to salary and wage costs, \$500 Gross (\$0 GF/GP) for defined benefit retirement costs, \$3,200 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$2,600 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not

receive salary increases. The line item is increased by 1.0 FTE and \$264,200 Gross (\$0 GF/GP) to recognize a new federal 4-year Violent Death Reporting System grant award, to establish a state surveillance system that links data from multiple sources to assist in tailoring violence prevention and intervention programs. The line item is reduced by \$491,000 Gross (\$0 GF/GP) to reflect actual federal rape prevention and education grant funds available, reducing the grant authorization from \$1,492,300 to \$1,001,300.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 92 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 92 of 2010 creates a new line item, Preventive Health Projects (ARRA) for FY 2009-10, and appropriates \$4,050,800 Gross (\$0 GF/GP) to recognize new federal funds for 2-year projects under the American Recovery and Reinvestment Act (ARRA) Prevention and Wellness Fund Communities Putting Prevention to Work Grants, State Policy and Environmental Change component, including: a base award of \$1,299,666 for smoke free air law implementation, increasing physical activity, and implementation of nutrition standards on school campuses; \$1,251,099 for expansion of tobacco quitline and targeted tobacco cessation media campaign; and \$1,500,000 to reduce exposure to second-hand smoke through promotion of smoke-free HUD, low-income, and tribal housing.

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces the Cancer Prevention and Control Program line item for FY 2009-10 by \$9,200 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Chronic Disease Prevention line item for FY 2009-10 by \$21,900 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Diabetes and Kidney Program line item for FY 2009-10 by \$9,400 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Health Education, Promotion, and Research Programs line item for FY 2009-10 by \$7,300 Gross (\$4,000 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Smoking Prevention Program line item for FY 2009-10 by \$10,600 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

FY 2010-11	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
DEPARTMENT OF COMMUNITY HEALTH	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION								
Full-time equated classified positions	75.3	75.5	75.5	75.5	75.5	75.5	0.0	75.5
Alzheimer's information network	99,500	99,500	99,500	99,500	99,500	99,500	0	99,500
Cancer prevention and control program--* FTE pos	14,304,400	14,565,700	14,555,100	13,739,500	14,565,700	14,555,100	0	14,555,100
* positions in above line	12.0	12.0	12.0	12.0	12.0	12.0	0.0	12.0
Chronic disease prevention--* FTE positions	5,285,700	0	0	4,968,900	0	0	0	0
* positions in above line	27.7	0.0	0.0	26.9	0.0	0.0	0.0	0.0
Chronic disease control and health promotion adm	0	6,696,700	6,664,800	0	6,696,700	6,664,800	0	6,664,800
* positions in above line	0.0	33.4	33.4	0.0	33.4	33.4	0.0	33.4
Diabetes and kidney program--* FTE positions	2,512,700	2,578,100	2,570,100	1,772,900	2,578,100	2,570,100	0	2,570,100
* positions in above line	12.2	12.2	12.2	12.2	12.2	12.2	0.0	12.2
Health education, promotion, and research program	829,600	0	0	829,600	0	0	0	0
* positions in above line	6.5	0.0	0.0	6.5	0.0	0.0	0.0	0.0
Injury control intervention project	0	0	0	200,000	0	200,000	0	200,000
Public health traffic safety coordination--* FTE posi	445,100	287,500	287,500	287,500	287,500	287,500	0	287,500
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0
Smoking prevention program--* FTE positions	4,662,400	4,656,500	4,643,600	2,058,100	4,656,500	4,643,600	0	4,643,600
* positions in above line	14.0	14.0	14.0	14.0	14.0	14.0	0.0	14.0
Violence prevention--* FTE positions	1,892,900	1,676,700	1,676,700	1,676,700	1,676,700	1,676,700	0	1,676,700
* positions in above line	1.9	2.9	2.9	2.9	2.9	2.9	0.0	2.9
GROSS APPROPRIATION	30,032,300	30,560,700	30,497,300	25,632,700	30,560,700	30,697,300	0	30,697,300
Appropriated from:								
Federal revenues:								
Total federal revenues	22,288,600	22,953,100	22,914,000	23,053,100	22,953,100	23,014,000	0	23,014,000
Special revenue funds:								
Total private revenues	146,600	61,600	61,600	61,600	61,600	61,600	0	61,600
Total other state restricted revenues	5,896,800	5,825,700	5,804,900	697,700	5,825,700	5,804,900	0	5,804,900
State general fund/general purpose	1,700,300	1,720,300	1,716,800	1,820,300	1,720,300	1,816,800	0	1,816,800

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

The Childhood Lead Program line item is adjusted for employee-related economics including increases of \$7,600 Gross (\$1,300 GF/GP) related to salary and wage costs, \$2,500 Gross (\$0 GF/GP) for defined benefit retirement costs, \$8,200 Gross (\$1,000 GF/GP) for defined contribution retirement costs, and \$8,600 Gross (\$1,000 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. The line item is reduced by \$200,000 Gross (\$0 GF/GP) of federal Medicaid funding that was related to matching Healthy Michigan Funding eliminated in the FY 2009-10 budget.

The Dental Programs line item is adjusted for employee-related economics including increases of \$3,800 Gross (\$0 GF/GP) related to salary and wage costs, \$4,500 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$4,700 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. The line item is reduced by \$114,800 Gross (\$0 GF/GP) to recognize completion of the federal Oral Health Workforce Activities grant, to improve access to oral health services for children in medically underserved communities and populations, including school-based sealant programs, first funded in FY 2007-08.

There are no changes to the Dental Program for Persons with Developmental Disabilities line item.

The Early Childhood Collaborative Secondary Prevention line item is restored with the appropriation of \$100 Gross (all GF/GP) as a placeholder for funding of the collaborative program with the Department of Human Services and the Department of Education for programs serving at-risk families with children 0-3 years of age. The Department of Community Health funding for the program was vetoed by the Governor for FY 2009-10.

VETO - The Governor vetoed the Early Childhood Collaborative Secondary Prevention line item, eliminating \$100 Gross (all GF/GP) of placeholder funding for the zero to three early childhood program.

The Family, Maternal, and Children's Health Services Administration line item is adjusted for employee-related economics including increases of \$47,500 Gross (\$23,100 GF/GP) related to salary and wage costs, \$100,000 Gross (\$49,000 GF/GP) for defined benefit retirement costs, \$25,700 Gross (\$15,500 GF/GP) for defined contribution retirement costs, and \$47,200 Gross (\$27,100 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

The Family Planning Local Agreements line item is adjusted by a net \$0 Gross (a reduction of \$217,900 GF/GP) fund shift between federal funds and GF/GP funds, with an offsetting fund shift in the Special Projects line item, updating the line items to reflect a mid-year adjustment to the FY 2009-10 budget. The federal funds are Maternal and Child Health Block Grant funds.

There are no changes to the Local MCH Services line item.

The Pregnancy Prevention Program line item is reduced by \$39,900 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds with the elimination of funds for the Talk Early & Talk Often program which offers workshops to parents to aid in talking with middle school children about sexuality and sexual abstinence, funded since FY 2005-06. The Healthy Michigan funds are shifted to Medicaid for GF/GP savings.

The Prenatal Care Outreach and Service Delivery Support line item is restored with the appropriation of \$100 Gross (all GF/GP) as a placeholder for funding the Nurse Family Partnership Program serving first-time, low-income pregnant women and teenagers in communities with high infant mortality rates. The Department of Community Health funding for the program was vetoed by the Governor for FY 2009-10. The restored line item also includes an appropriation of \$50,000 Gross (all GF/GP) for public and provider awareness and education about stillbirth; see also related boilerplate Sec. 1117.

VETO - The Governor vetoed Sec. 1139 and the related \$100 Gross (all GF/GP) placeholder funding in the Prenatal Care Outreach and Service Delivery Support line item. This funding is also related to Sec. 1112 which was also vetoed by the Governor.

The School Health and Education Programs line item is adjusted for employee-related economics including increases of \$2,100 Gross (all GF/GP) related to salary and wage costs, \$1,700 Gross (all GF/GP) for defined contribution retirement costs, and \$1,700 Gross (all GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

The Special Projects line item is reduced by 1.0 FTE and \$1,417,200 Gross (\$0 GF/GP) to recognize completion of the federal Michigan Abstinence Partnership (MAP) grant for community-based abstinence education, funded in FY 2009-10 and previously from FY 2000-01 through FY 2007-08. The line item is increased by \$850,000 Gross (\$0 GF/GP) to recognize a new 5-year federal grant, Project LAUNCH (Linking Actions for Unmet Needs in Children's Health), to promote wellness of young children birth through age 8 by addressing the physical, emotional, social, cognitive and

behavioral aspects of development, structured as a public health program. The line item is adjusted by a net \$0 Gross (an increase of \$217,900 GF/GP) fund shift between federal funds and GF/GP funds, with an offsetting fund shift in the Family Planning Local Agreements line item, updating the line items to reflect a mid-year adjustment to the FY 2009-10 budget; the federal funds are Maternal and Child Health Block Grant funds. The remaining 1.7 FTEs in the line item are eliminated, which were related to Healthy Michigan Fund infant mortality project funding that was eliminated in the FY 2009-10 budget. The line item is increased by \$2,200,000 Gross (\$0 GF/GP) to recognize a new federal Patient Protection and Affordable Care Act (ACA) grant award for Maternal, Infant and Early Childhood Home Visiting Program to establish programs in 10 target counties and to build program state and local infrastructure.

There are no changes to the Sudden Infant Death Syndrome Program line item.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces the Childhood Lead Program line item for FY 2009-10 by \$2,600 Gross (\$600 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

Public Act 142 of 2010 reduces the Family, Maternal, and Children's Health Services Administration line item for FY 2009-10 by \$39,800 Gross (\$24,000 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES								
Full-time equated classified positions	56.3	53.6	53.6	52.6	53.6	53.6	0.0	53.6
Childhood lead program--* FTE positions	1,766,600	1,597,300	1,593,500	1,597,300	1,597,300	1,593,500	0	1,593,500
* positions in above line	6.0	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Dental programs--* FTE positions	1,094,400	869,400	867,600	994,400	994,400	992,600	0	992,600
* positions in above line	3.0	3.0	3.0	3.0	3.0	3.0	0.0	3.0
Dental program for persons with developmental disabilities	151,000	151,000	151,000	151,000	151,000	151,000	0	151,000
Early childhood collaborative secondary prevention program	0	0	0	0	100	100	(100)	0
Family, maternal, and children's health services administration	5,631,200	5,890,700	5,851,600	5,890,700	5,890,700	5,851,600	0	5,851,600
* positions in above line	43.6	43.6	43.6	43.6	43.6	43.6	0.0	43.6
Family planning local agreements	9,085,700	9,085,700	9,085,700	9,085,700	9,085,700	9,085,700	0	9,085,700
Local MCH services	7,018,100	7,018,100	7,018,100	7,018,100	7,018,100	7,018,100	0	7,018,100
Pregnancy prevention program	1,747,200	1,707,300	1,707,300	602,100	1,707,300	1,707,300	0	1,707,300
Prenatal care outreach and service delivery support	0	0	0	0	50,100	50,100	(100)	50,000
School health and education programs--* FTE positions	400,000	405,500	405,500	0	405,500	405,500	0	405,500
* positions in above line	1.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0
Special projects--* FTE positions	3,032,400	2,290,200	2,290,200	2,340,200	2,415,200	4,665,200	0	4,665,200
* positions in above line	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sudden infant death syndrome program	321,300	321,300	321,300	321,300	321,300	321,300	0	321,300
GROSS APPROPRIATION	30,247,900	29,336,500	29,291,800	28,000,800	29,636,700	31,842,000	(200)	31,841,800
Appropriated from:								
Federal revenues:								
Total federal revenues	25,073,300	24,352,500	24,333,600	24,352,500	24,352,500	26,533,600	0	26,533,600
Special revenue funds:								
Total local revenues	75,000	75,000	75,000	75,000	75,000	75,000	0	75,000
Total other state restricted revenues	1,545,100	1,505,200	1,505,200	0	1,505,200	1,505,200	0	1,505,200
State general fund/general purpose	3,554,500	3,403,800	3,378,000	3,573,300	3,704,000	3,728,200	(200)	3,728,000

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

The Women, Infants, and Children Program Administration and Special Projects line item is adjusted for employee-related economics including increases of \$50,200 Gross (\$0 GF/GP) related to salary and wage costs, \$94,900 Gross (\$0 GF/GP) for defined benefit retirement costs, \$26,400 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$46,100 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. The line item is increased by 2.0 FTEs and \$4,000,000 Gross (\$0 GF/GP) to recognize an increase in the ongoing federal WIC Food Program Grant award for WIC program state administration costs. The line item is reduced by \$175,000 Gross (\$0 GF/GP) to recognize completion of the federal Revitalizing Quality Nutrition Services grant to address counseling methods used to improve WIC participant consumption of fruits and vegetables, funded since FY 2005-06.

The Women, Infants, and Children Program Local Agreements and Food Costs line item is increased by \$11,958,900 Gross (\$0 GF/GP) to recognize an increase in the ongoing federal WIC Food Program Grant award for food and services through the local WIC programs, in response to rising food costs and rising caseloads. In January 2010, Michigan participation in the WIC program was 256,728, a 9.5% increase from January 2009. The line item is increased by \$5,359,900 Gross (\$0 GF/GP) of private funds available from infant formula manufacturer rebates as a result of rising caseloads. In January 2010, the number of infants served by the WIC program was 64,675, a 15.6% increase from January 2009.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces the Women, Infants, and Children Program Administration and Special Projects line item for FY 2009-10 by \$30,000 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM								
Full-time equated classified positions	43.0	45.0	45.0	45.0	45.0	45.0	0.0	45.0
Women, infants, and children program administrative	9,554,800	13,631,700	13,597,400	13,631,700	13,631,700	13,597,400	0	13,597,400
* positions in above line	43.0	45.0	45.0	45.0	45.0	45.0	0.0	45.0
Women, infants, and children program local agreement	236,506,700	253,825,500	253,825,500	253,825,500	253,825,500	253,825,500	0	253,825,500
GROSS APPROPRIATION	246,061,500	267,457,200	267,422,900	267,457,200	267,457,200	267,422,900	0	267,422,900
Appropriated from:								
Federal revenues:								
Total federal revenues	192,815,400	208,847,000	208,812,700	208,847,000	208,847,000	208,812,700	0	208,812,700
Special revenue funds:								
Total private revenues	53,246,100	58,610,200	58,610,200	58,610,200	58,610,200	58,610,200	0	58,610,200
State general fund/general purpose	0	0	0	0	0	0	0	0

CHILDREN'S SPECIAL HEALTH CARE SERVICES

The Children's Special Health Care Services (CSHCS) Administration line item is adjusted for employee-related economics including an increase of \$8,500 Gross (\$4,400 GF/GP) related to salary and wage costs, and increases of \$106,200 Gross (\$57,400 GF/GP) for defined benefit retirement costs, \$16,400 Gross (\$8,900 GF/GP) for defined contribution retirement costs, and \$47,800 Gross (\$25,800 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

The Bequests for Care and Services line is reduced, per Executive Budget Revision of 6/22/10, \$3,200 (all private revenue) from original Executive due to rejection of 3% pay increase for NEREs employees by Civil Service Commission.

There are no appropriation changes to the Outreach and Advocacy line item.

The Nonemergency Medical Transportation line item is restored \$1,151,700 GF/GP of the \$1,183,600 GF/GP that was eliminated in the FY 2009-10 budget that supported nonemergency medical transportation services to Title V CSHCS eligibles. This action impacts families with incomes 200% of the federal poverty level but above Medicaid income thresholds.

The Medical Care and Treatment line is increased by \$10,953,100 Gross (\$5,333,900 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$3,144,300 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011.

The Maternal and Child Health Block Grant federal authorization is reduced by \$1.0 million reflecting less available grant revenue. The line is reduced \$11,373,200 federal as a FY 2009-10 base adjustment reflecting the Department's delayed expansion of CSHCS family income up to 300% of the federal poverty level. Federal funds in the amount of \$10,269,400 are reduced and offset by an increase of GF/GP to recognize an increase in Title V only beneficiaries. The line is increased \$11,373,200 federal to provide for the expansion of CSHCS family income up to 300% of the federal poverty level in FY 2010-11. This initiative was budgeted to begin in FY 2009-10. The line is reduced \$40,000 GF/GP representing genetic counseling funding for Title V eligible beneficiaries.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 provides supplemental FY 2009-10 negative appropriations within the Medical Services Administration line item of \$37,600 Gross (\$23,600 GF/GP) to reflect savings that will be achieved through employee concession measures that include banked leave time and furlough days.

PUBLIC ACT 158 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 158 of 2010 provides that Medical Care and Treatment line item federal funds in the amount of \$10,269,400 are reduced and offset by an increase of GF/GP to recognize an increase in Title V only Children's Special Health Care Services (CSHCS) beneficiaries. Included in the supplemental is an increase of \$11,468,100 Gross (\$7,252,800 GF/GP) for the Medical Care and Treatment line to cover CSHCS program expenditures that were higher than projected due to caseload, utilization and inflation costs as determined at the May 17, 2010 Medicaid consensus meeting between the House and Senate Fiscal Agencies and the State Budget Office.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES								
Full-time equated classified positions	47.8	47.8	47.8	47.8	47.8	47.8	0.0	47.8
Children's special health care services administrati	4,902,100	5,150,700	5,081,000	5,150,700	5,150,700	5,081,000	0	5,081,000
* positions in above line	45.0	45.0	45.0	45.0	45.0	45.0	0.0	45.0
Bequests for care and services--* FTE positions	1,514,600	1,514,600	1,511,400	1,514,600	1,514,600	1,511,400	0	1,511,400
* positions in above line	2.8	2.8	2.8	2.8	2.8	2.8	0.0	2.8
Outreach and advocacy	3,773,500	3,773,500	3,773,500	3,773,500	3,773,500	3,773,500	0	3,773,500
Nonemergency medical transportation	1,527,600	1,527,600	1,527,600	1,527,600	2,711,200	2,679,300	0	2,679,300
Medical care and treatment	231,455,100	236,106,900	236,106,900	236,106,900	239,251,500	241,368,200	0	241,368,200
GROSS APPROPRIATION	243,172,900	248,073,300	248,000,400	248,073,300	252,401,500	254,413,400	0	254,413,400
Appropriated from:								
Federal revenues:								
Total other federal revenues	141,515,900	140,504,600	140,474,200	140,504,600	140,504,600	142,332,700	0	142,332,700
Federal FMAP stimulus (ARRA)	19,218,200	12,863,300	12,863,300	12,863,300	12,863,300	9,686,700	0	9,686,700
Special revenue funds:								
Total private revenues	1,000,000	1,000,000	996,800	1,000,000	1,000,000	996,800	0	996,800
Total other state restricted revenues	3,837,000	3,841,000	3,839,600	3,841,000	3,841,000	3,839,600	0	3,839,600
State general fund/general purpose	77,601,800	89,864,400	89,826,500	89,864,400	94,192,600	97,557,600	0	97,557,600

**CRIME VICTIM
SERVICES COMMISSION**

CRIME VICTIM SERVICES COMMISSION

The Grants Administration Services line item is adjusted for employee-related economics including increases of \$1,800 Gross (\$0 GF/GP) related to salary and wage costs, \$22,300 Gross (\$0 GF/GP) for defined benefit retirement costs, \$4,700 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$12,800 Gross (\$0 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

There are no changes to the Justice Assistance Grants line item.

The Crime Victim Rights Services Grants line item is adjusted by a net \$0 Gross (\$0 GF/GP) pair of adjustments to correct the federal and state restricted funds authorizations to actual. Federal Victims of Crime Act (VOCA) Compensation grant funds authorization is increased by \$1.5 million, and state restricted Crime Victim's Rights Fund authorization is reduced by \$1.5 million.

The Crime Victim's Rights Fund Revenue to Michigan State Police line item is eliminated with the elimination of \$1,053,300 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund interdepartmental grant appropriations to Michigan State Police, funded since FY 2006-07 to support sex offender registry, Amber Alert missing child notification system, and forensic science expert witness testimony programs. Note that the Michigan State Police budget replaces these funds with GF/GP.

The Crime Victim's Rights Fund Revenue to Department of Human Services line item is eliminated with the elimination of \$1,300,000 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund interdepartmental grant appropriations to Michigan Department of Human Services, funded since FY 2006-07 to support sexual assault and rape victim treatment services programs. Note that the Department of Human Services budget replaces most of these funds with GF/GP.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces the Grants Administration Services line item for FY 2009-10 by \$9,400 Gross (\$0 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 116. CRIME VICTIM SERVICES COMMISSION								
Full-time equated classified positions	11.0	11.0	11.0	11.0	11.0	11.0	0.0	11.0
Grants administration services--* FTE positions	1,498,200	1,555,900	1,539,800	1,555,900	1,555,900	1,539,800	0	1,539,800
* positions in above line	11.0	11.0	11.0	11.0	11.0	11.0	0.0	11.0
Justice assistance grants	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	0	13,000,000
Crime victim rights services grants	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	0	12,500,000
Crime victim's rights fund revenue to Michigan state	1,053,300	0	0	0	0	0	0	0
Crime victim's rights fund revenue to department of	1,300,000	0	0	0	0	0	0	0
GROSS APPROPRIATION	29,351,500	27,055,900	27,039,800	27,055,900	27,055,900	27,039,800	0	27,039,800
Appropriated from:								
Federal revenues:								
Total federal revenues	15,055,300	16,567,500	16,563,700	16,567,500	16,567,500	16,563,700	0	16,563,700
Special revenue funds:								
Total other state restricted revenues	14,296,200	10,488,400	10,476,100	10,488,400	10,488,400	10,476,100	0	10,476,100
State general fund/general purpose	0	0	0	0	0	0	0	0

**OFFICE OF SERVICES
TO THE AGING**

OFFICE OF SERVICES TO THE AGING

The Commission (Per Diem \$50.00) line item is eliminated with the elimination of \$10,500 Gross (all GF/GP) of funding for per diem compensation to members of the Commission on Services to the Aging. Statutory amendment is needed to MCL 400.583.

The Office of Services to Aging Administration line item is adjusted for employee-related economics including a reduction of \$20,700 Gross (an increase of \$1,500 GF/GP) related to salary and wage costs, and increases of \$106,900 Gross (\$46,700 GF/GP) for defined benefit retirement costs, \$30,800 Gross (\$13,500 GF/GP) for defined contribution retirement costs, and \$48,100 Gross (\$21,000 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases. The line item is increased by \$230,000 Gross (\$0 GF/GP) to recognize a new 3-year federal grant for the development of Aging and Disability Resource Center (ADRC) partnerships, designed to build ADRC capacity by utilizing existing long term care resources to develop a statewide "no wrong door" model for long term care supports and services. For GF/GP savings, the line item is reduced by 1.0 FTE and \$82,000 Gross (all GF/GP) with the elimination of an unfilled vacancy in the Office of Services to the Aging administration.

The Community Services line item is increased by \$90,000 Gross (\$0 GF/GP) to recognize increased funding from the ongoing federal Medicare/Medicaid Assistance Program (MMAP) grant, funded since 1984. The line item is increased by \$220,000 Gross (\$0 GF/GP) to recognize a new 2-year federal Alzheimer's Disease Innovation grant for the development of a customized program for caregivers of veterans with dementia in cooperation with the Veterans Administration in seven Area Agency on Aging regions. The line item is increased by \$536,000 Gross (\$0 GF/GP) to recognize new federal grants for Medicare Improvements for Patients and Providers, to improve outreach to low-income seniors who are Medicare beneficiaries. For GF/GP savings, the line item is reduced by 8% of GF/GP funding in the line \$1,073,200 Gross (all GF/GP) for community services programs for seniors; GF/GP funding in this line item supports area agency on aging (AAA) administration, access services, local long-term care ombudsman, alternative care, care management, and in-home services.

The Nutrition Services line item is increased by \$73,000 Gross (\$0 GF/GP) of private funds to reflect an estimated increase in private contributions collected locally to support the Senior Project FRESH Farmer's Market Nutrition Program. For GF/GP savings, the line item is reduced by 8% of GF/GP funding in the line \$763,200 Gross (all GF/GP) for congregate meals and home-delivered meals for vulnerable seniors and for AAA administration of senior nutrition services.

The Foster Grandparent Volunteer Program line item is reduced by 8% with a reduction of \$194,000 Gross (all GF/GP) for the program, for GF/GP savings.

The Retired and Senior Volunteer Program line item is reduced by 8% with a reduction of \$54,500 Gross (all GF/GP) for the program, for GF/GP savings.

The Senior Companion Volunteer Program line item is reduced by 8% with a reduction of \$139,400 Gross (all GF/GP) for the program, for GF/GP savings.

The Employment Assistance line item is increased by \$343,000 Gross (\$0 GF/GP) to recognize increased funding from the ongoing federal Department of Labor Senior Employment Assistance grant for community service interim employment for low-income seniors, for minimum wage adjustments.

The Respite Care Program line item is reduced by \$400,000 Gross (\$0 GF/GP) to recognize the decline of revenues to the state restricted Senior Respite Care Fund dedicated for senior respite care; the revenue to the Fund is unclaimed property escheats to the State of uncashed subscriber or provider payments from the nonprofit health care corporation Blue Cross-Blue Shield.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 92 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 92 of 2010 creates a new line item, Aging Projects (ARRA) for FY 2009-10, and appropriates \$1,106,500 Gross (\$0 GF/GP) to recognize new federal funds for a 2-year project under the American Recovery and Reinvestment Act (ARRA) Prevention and Wellness Fund Communities Putting Prevention to Work Grants, Chronic Disease Self-Management Initiative component, to develop evidence-based chronic disease self-management programs for seniors with multiple chronic illnesses, and gather evidence on the impact on participant health behavior and health status outcomes. Coping strategies and emotional support will be provided to help participants better manage personal health. Aging, public health and Medicaid agencies will collaborate on this project.

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces the Offices of Services to the Aging Administration line item for FY 2009-10 by \$38,500 Gross (\$18,500 GF/GP) to recognize savings related to employee concessions including banked leave time and five unpaid furlough days.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 117. OFFICE OF SERVICES TO THE AGING								
Full-time equated classified positions	44.5	43.5	43.5	43.5	43.5	43.5	0.0	43.5
Commission (per diem \$50.00)	10,500	0	0	0	0	0	0	0
Office of services to aging administration--* FTE positions in above line	6,760,500	7,190,900	7,073,600	7,190,900	7,190,900	7,073,600	0	7,073,600
Community services	34,496,600	34,149,400	34,149,400	34,149,400	35,342,600	34,269,400	0	34,269,400
Nutrition services	36,050,400	35,360,200	35,360,200	35,360,200	36,123,400	35,360,200	0	35,360,200
Foster grandparent volunteer program	2,427,600	2,233,600	2,233,600	2,233,600	2,427,600	2,233,600	0	2,233,600
Retired and senior volunteer program	681,800	627,300	627,300	627,300	681,800	627,300	0	627,300
Senior companion volunteer program	1,743,800	1,604,400	1,604,400	1,604,400	1,743,800	1,604,400	0	1,604,400
Employment assistance	3,449,500	3,792,500	3,792,500	3,792,500	3,792,500	3,792,500	0	3,792,500
Respite care program	6,268,700	5,868,700	5,868,700	5,868,700	5,868,700	5,868,700	0	5,868,700
GROSS APPROPRIATION	91,889,400	90,827,000	90,709,700	90,827,000	93,171,300	90,829,700	0	90,829,700
Appropriated from:								
Federal revenues:								
Total federal revenues	55,203,900	56,781,900	56,707,800	56,781,900	56,781,900	56,707,800	0	56,707,800
Special revenue funds:								
Total private revenues	537,000	610,000	607,500	610,000	610,000	607,500	0	607,500
Merit award trust fund	4,468,700	4,468,700	4,468,700	4,468,700	4,468,700	4,468,700	0	4,468,700
Total other state restricted revenues	1,800,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	0	1,400,000
State general fund/general purpose	29,879,800	27,566,400	27,525,700	27,566,400	29,910,700	27,645,700	0	27,645,700

MEDICAL SERVICES

MEDICAL SERVICES ADMINISTRATION

The Medical Services Administration line's local authorization is increased by \$102,000 to allow the Department to receive local funds that will be matched with federal funds to support administrative costs associated with the school-based services program. The Department has sufficient federal authorization for this match. The line is increased \$100,000 private authorization to support health disparities in the practice site activities. An increase of \$1,507,500 Gross (\$753,800 GF/GP) will support 15.0 additional FTEs in the Medical Services Administration line dedicated to Medicaid payment recoveries and revenue maximization. Total savings of \$27,255,600 Gross (\$7,518,300 GF/GP) are realized when all lines impacted by the recovery and revenue maximization effort are considered. An increase of \$574,600 Gross (\$287,300 GF/GP) represents the cost of establishing and funding 1.0 FTE position for a Medicaid Inspector General and an additional 4.0 FTEs for recovery activities. This proposed reform is anticipated to generate Medicaid expenditure recoveries which will be deposited into the Medicaid Benefits Trust Fund (MBTF), which in turn will offset GF/GP funding in the Health Plan Services line.

The Medical Services Administration line item is adjusted for employee-related economics including an increase of \$20,400 Gross (\$800 GF/GP) related to salary and wage costs, and increases of \$750,100 Gross (\$292,600 GF/GP) for defined benefit retirement costs, \$230,000 Gross (\$89,700 GF/GP) for defined contribution retirement costs, and \$425,100 Gross (\$165,800 GF/GP) for overall insurance cost increases of 9.0%. Salary and wage adjustments include 3% increases for unionized employees; non-bargaining employees did not receive salary increases.

Includes \$75,000 Gross (\$37,500 GF/GP) to restore funding for the development, maintenance and support of 1.0 FTE for a prescription drug website effective July 1, 2011. This item had been included in the FY 2009-10 appropriation bill but was vetoed by the Governor. The line is increased \$200,000 Gross (\$100,000 GF/GP) and 2.0 FTEs who will administer the implementation of a Medicaid transportation pilot project. The line is increased \$891,000 Gross (\$222,800 GF/GP) to support 13.0 FTEs who will assist in meeting the Medicaid prompt pay requirements imposed under ARRA. Included is \$1.0 million federal authorization in anticipation of receipt of a State Planning and Establishment Grant for the Affordable Care Act's Exchanges. The Act provides that each State may elect to establish an Exchange that would: 1) facilitate the purchase of qualified health plans; 2) provide for the establishment of a Small Business Health Options Program ("SHOP Exchange) designed to assist qualified employers in facilitating the enrollment of their employees in QHPs offered in the SHOP exchange; and 3) meet other requirements specified in the Act.

VETO - The Governor vetoed Section 285 boilerplate language eliminating \$75,000 Gross (\$37,500 GF/GP), and the related 1.0 FTE, for the costs associated with expanding the prescription drug website.

There are no appropriation changes to the Facility Inspection Contract line item.

For the MIChild Administration line no changes were adopted.

The new line State Health Information Exchange (ARRA) is established with an \$8.0 million federal ARRA authorization. The line is in recognition of the FY 2009-10 unencumbered balance of the federal ARRA grant award for State Health Information Exchanges.

FY 200-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 92 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 92 of 2010 increases the Medical Services Administration line \$6,993,100 to recognize ARRA grants for activities to be administered by DCH for planning, integration of the state's public health reporting and surveillance systems and MCIR with the Michigan Health Information Network Shared Services, and outreach, education and grant management.

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 provides supplemental FY 2009-10 negative appropriations within the Medical Services Administration line item of \$277,000 Gross (\$100,000 GF/GP) to reflect savings that will be achieved through employee concession measures that include banked leave time and furlough days.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 118. MEDICAL SERVICES ADMINISTRATION								
Full-time equated classified positions	378.0	388.0	403.0	389.0	388.0	414.0	(1.0)	413.0
Medical services administration--* FTE positions	59,827,300	63,206,700	63,623,000	63,281,700	63,206,700	65,703,000	(75,000)	65,628,000
* positions in above line	378.0	388.0	403.0	389.0	388.0	414.0	(1.0)	413.0
Facility inspection contract	132,800	132,800	132,800	132,800	132,800	132,800	0	132,800
MiChild administration	4,327,800	4,327,800	4,327,800	4,327,800	4,327,800	4,327,800	0	4,327,800
State health information exchange (ARRA)	0	0	0	0	0	8,000,000	0	8,000,000
GROSS APPROPRIATION	64,287,900	67,667,300	68,083,600	67,742,300	67,667,300	78,163,600	(75,000)	78,088,600
Appropriated from:								
Federal revenues:								
Total other federal revenues	44,434,600	46,246,700	46,611,600	46,284,200	46,246,700	48,151,600	(37,500)	48,114,100
Federal revenues (ARRA)	0	0	0	0	0	8,000,000	0	8,000,000
Special revenue funds:								
Total private revenues	0	100,000	100,000	100,000	100,000	100,000	0	100,000
Total local revenues	5,000	107,000	105,900	107,000	107,000	105,900	0	105,900
Total other state restricted revenues	97,800	105,300	105,300	105,300	105,300	105,300	0	105,300
State general fund/general purpose	19,750,500	21,108,300	21,160,800	21,145,800	21,108,300	21,700,800	(37,500)	21,663,300

MEDICAL SERVICES

Medicaid base adjustments are reflected in the budget to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth in various Medical Services program line items. The initial Medicaid base adjustments proposed in the Executive Budget and the staff consensus estimates that were adopted in the enacted budget are summarized below:

Medical Services Line Item	Initial Medicaid Base Adjustment	Staff Consensus Base Adjustment
Hospital Services and Therapy	(\$24,998,700)	(\$31,816,100)
Physician Services	(\$13,594,500)	(\$31,753,100)
Medicare Premium Payments	\$57,736,600	\$58,082,000
Pharmaceutical Services	(\$8,324,200)	\$10,339,300
Home Health Services	(\$708,500)	\$64,500
Hospice Services	\$11,021,500	\$11,846,300
Auxiliary Medical Services	(\$4,858,500)	(\$4,099,500)
Dental Services	(\$1,062,000)	(\$658,900)
Ambulance Services	\$137,200	(\$398,300)
Long Term Care Services	\$29,749,800	\$58,438,700
Medicaid HCBSW	\$0	(\$12,413,500)
Adult Home Help	\$27,621,300	\$27,015,400
Personal Care Services	(\$3,488,400)	\$6,315,300
PACE	\$0	\$7,000,000
Health Plan Services ¹	\$68,000,000	\$431,465,900
Federal Medicare Pharmaceutical Program	(\$2,666,000)	(\$2,666,000)
Total	\$142,263,800	\$537,715,100

(1) Does not include Medicaid health plan actuarial soundness adjustment.

The Hospital Services and Therapy line is decreased by \$31,816,100 Gross (\$10,512,600 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$42,239,500, GF/GP revenue is decreased by \$140,800 and state restricted revenues are increased by \$42,380,300 to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. Federal funding is increased by \$95,500 and GF/GP decreased by the same amount to reflect a change in the federal SCHIP matching rate from 74.23% to 76.05%.

The line is increased \$3,123,500 GF/GP reflecting savings that are more appropriately associated with the hospital rate adjustment (HRA) state retainer in the Health Plan Services line rather than in the Hospital Services and Therapy line. The HRA was increased by \$31.4 million in FY 2009-10 to the upper payment limit. An increase of \$16,650,000 Gross (\$5,696,000 state restricted) restores a 4% Medicaid payment rate reduction applied to hospitals in FY 2009-10. The Gross amount is financed with additional hospital quality assurance assessment program (QAAP) state restricted funds and matching federal funds. An additional \$20,898,400 GF/GP offsets the same amount of state restricted hospital quality assurance assessment program (QAAP) revenue representing less State retainer available due to the change from the ARRA FMAP rate in FY 2009-10 to the regular FMAP rate in FY 2010-11. The psychiatric graduate medical education (GME) program is increased by \$1,638,000 Gross (\$819,000 state restricted). GF/GP is increased by \$3,446,500 to offset a Healthy Michigan Fund shortfall of a like amount.

A reduction of \$16,850,400 state restricted revenue recognizes the decreased need for hospital quality assurance assessment revenue due to additional federal ARRA Medicaid funds of \$30,792,500 and associated GF/GP savings of \$13,942,100 resulting from a 13.2% retainer adjustment due to the increased federal benefit. Healthy Michigan Fund revenue in the amount of \$39,900 offsets a like amount of GF/GP due to a reduction of HMF outside of the unit. A reduction of \$11,505,200 Gross (\$3,308,700 GF/GP) represents savings generated by establishing and funding an additional 15.0 FTEs in the Medical Services Administration line dedicated to Medicaid payment recoveries and revenue maximization. Total savings of \$27,255,600 Gross (\$7,518,300 GF/GP) are realized when all lines impacted by the recovery and revenue maximization effort are considered.

Funding of \$60,600 GF/GP is reduced by eliminating the fee-for-service hospital services component of the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months. Total savings of \$3,735,200 GF/GP are realized when all TMA Plus associated

appropriation lines are considered. A transfer out of \$2,561,600 Gross (\$736,800 GF/GP), along with transfers from other various fee-for-service lines, to the Health Plan Services line funds the transfer of foster care kids to managed care beginning November 1, 2010. Savings of \$2,618,100 Gross (\$753,000 GF/GP) are removed from the line representing lower expenditures resulting from the work of additional DHS inspectors who prevent cases from being opened that are based on questionable information.

The Hospital Disproportionate Share Payments line is increased by \$1,170,000 while GF/GP revenues are decreased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. The DSH pool is increased by \$7.5 million Gross (\$2,760,700 state restricted) with the State matching funds coming from an increase in the hospital quality assurance assessment program (QAAP) revenue.

The Physician Services line is decreased by \$31,753,100 Gross (\$9,873,100 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Corrective action of a FY 2009-10 budget development adjustment increases regular Federal Medicaid match funding by \$1,023,900 and reduces federal ARRA Medicaid match by a like amount. Federal funds within the line item are decreased by \$7,718,600 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. A reduction of \$6,711,400 Gross (\$1,930,200 GF/GP) represents savings generated by establishing and funding an additional 15.0 FTEs in the Medical Services Administration line dedicated to Medicaid payment recoveries and revenue maximization. Total savings of \$27,255,600 Gross (\$7,518,300 GF/GP) are realized when all lines impacted by the recovery and revenue maximization effort are considered.

Funding of \$37,900 GF/GP is reduced by eliminating the fee-for-service physician services component of the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months. Total savings of \$3,735,200 GF/GP are realized when all TMA Plus associated appropriation lines are considered. Includes \$1,229,000 Gross (\$353,500 GF/GP) to reinstate adult Medicaid podiatric services that were not included in the FY 2009-10 budget and which were also removed in the last quarter of FY 2008-09, pursuant to Executive Order 2009-22. A transfer out of \$1,154,700 Gross (\$332,100 GF/GP), along with transfers from other various fee-for-service (ffs) lines, to the Health Plan Services line funds the transfer of foster care kids to managed

care beginning November 1, 2010. Savings of \$1,636,300 Gross (\$470,600 GF/GP) are removed from the line representing lower expenditures resulting from the work of additional DHS inspectors who prevent cases from being opened that are based on questionable information.

The Medicare Premium Payments line is increased by \$58,082,000 Gross (\$19,851,000 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$5,854,800 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011.

The Pharmaceutical Services line is increased by \$10,339,300 Gross (\$2,519,900 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$7,216,900 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. A base adjustment increase of \$9,331,800 Gross (\$3,192,400 GF/GP) is an acknowledgement that full-year savings budgeted for FY 2009-10 by placing behavioral health drugs on the preferred drug list will only be realized for ½ year beginning April 1, 2010. The line is reduced \$9,331,800 Gross (\$3,192,400 GF/GP) representing the annualized FY 2009-10 savings from including behavioral health drugs on the preferred drug list. A reduction of \$4,889,700 Gross (\$1,406,300 GF/GP) represents savings generated by establishing and funding an additional 15.0 FTEs in the Medical Services Administration line dedicated to Medicaid payment recoveries and revenue maximization. Total savings of \$27,255,600 Gross (\$7,518,300 GF/GP) are realized when all lines impacted by the recovery and revenue maximization effort are considered.

Funding of \$158,000 GF/GP is reduced by eliminating the pharmacy component of the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months. Total savings of \$3,735,200 GF/GP are realized when all TMA Plus associated appropriation lines are considered. The line is increased \$83,000,000 Gross (\$23,870,800 GF/GP), from the carving-out the 40% balance of the mental health drugs from managed care, the Health Plan Services line, to fee-for-service (FFS). Drug expenditures are required to be 100% FFS or managed care in order to qualify for federal rebates. A transfer out of \$1,058,500 Gross (\$304,400 GF/GP), along with transfers from other various fee-for-service lines, to the Health Plan Services line funds the

transfer of foster care kids to managed care beginning November 1, 2010. Savings of \$1,178,100 Gross (\$338,800 GF/GP) are removed from the line representing lower expenditures resulting from the work of additional DHS inspectors who prevent cases from being opened that are based on questionable information.

In the Home Health Services line item Medicaid inflation, caseload and utilization adjustments increased the line \$64,500 Gross (\$20,100 GF/GP reduced). Federal funds within the line item are decreased by \$161,300 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011.

In the Hospice Services line item, Medicaid inflation, caseload and utilization increases totaling \$11,846,300 Gross (\$4,007,700 GF/GP) were adopted. Federal funds within the line item are decreased by \$1,490,600 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011.

In the Transportation line item, funding of \$6,700 GF/GP is reduced by eliminating the fee-for-service transportation services component of the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months. Total savings of \$3,735,200 GF/GP are realized when all TMA Plus associated appropriation lines are considered. The line is increased \$2,448,000 Gross (\$322,800 GF/GP reduction) to support a Medicaid transportation pilot in Macomb, Oakland and Wayne counties. It is estimated that GF/GP savings of \$322,800 will be generated by financing the three contracts at the services FMAP rate of 65.79% federal rather than the 50% federal for current Medicaid transportation service costs. Two FTEs and \$200,000 Gross (\$100,000 GF/GP) have been included in the Medical Services Administration line to manage this pilot.

In the Auxiliary Medical Services line item, a Medicaid inflation, caseload and utilization decrease totaling \$4,099,500 Gross (\$1,443,900 GF/GP) was adopted. Federal funds within the line item are decreased by \$462,900 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-

down rate expiring June 30, 2011. Includes \$2.0 million Gross (\$575,200 GF/GP) to expand Medicaid adult optical coverage to cover medically necessary optical devices and treatment services when conventional treatments do not provide functional vision correction. Non-emergency Medicaid adult optical services were eliminated for the last quarter of FY 2008-09 pursuant to Executive Order 2009-22 and funding was not provided in FY 2009-10.

The Dental Services line is decreased by \$658,900 Gross (\$247,400 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$2,910,200 while GF/GP and state restricted revenues are increased \$2,748,900 and \$161,300 respectively to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. Funding of \$12,200 GF/GP is reduced by eliminating the fee-for-service dental services component of the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months. Total savings of \$3,735,200 GF/GP are realized when all TMA Plus associated appropriation lines are considered. Includes \$19,558,000 Gross (\$5,624,900 GF/GP) to reinstate adult Medicaid dental services that were not included in the FY 2009-10 budget and were also removed in the last quarter of FY 2008-09, pursuant to Executive Order 2009-22.

The Ambulance Services line item is decreased by \$398,300 Gross (\$107,000 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$287,000 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. Funding of \$700 GF/GP is reduced by eliminating the fee-for-service auxiliary medical services component of the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months. Total savings of \$3,735,200 GF/GP are realized when all TMA Plus associated appropriation lines are considered.

The Long-Term Care Services line item is increased \$58,438,700 Gross (\$18,428,300 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$79,746,100 while GF/GP and state restricted revenues are increased \$42,163,900 and \$37,582,200 respectively to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%.

The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. The line is reduced \$11,486,500 Gross (\$3,929,500 GF/GP) to correct an error made at the July 2009 consensus projections. Adult Home Help and Personal Care Services adjustments were incorrectly included in the Long-Term Care Services line item. A base adjustment increase of \$22,200,100 Gross (\$7,594,700 GF/GP) is an acknowledgement that full-year savings budgeted for FY 2009-10 of estate recovery savings will only be realized for ¼ year beginning July 1, 2010.

An increase of \$43,035,200 Gross (\$14,722,300 state restricted) restores a 4% Medicaid payment rate reduction applied to nursing homes in FY 2009-10. The Gross amount is financed with additional nursing home quality assurance assessment program (QAAP) state restricted funds and matching federal funds. An additional \$14,510,900 GF/GP offsets the same amount of state restricted nursing home quality assurance assessment program (QAAP) revenue representing less State retainer available due to the change from the ARRA FMAP rate in FY 2009-10 to the regular FMAP rate in FY 2010-11. The line is reduced \$22,200,100 Gross (\$7,594,700 GF/GP) representing the annualized FY 2009-10 savings from increased estate recovery. GF/GP in the amount of \$63,557,700 replaces a like amount of Merit Award Trust Fund revenue. The Merit Award Trust Fund revenue is available due to Promise Grants not being funded. The line's state restricted nursing home quality assurance assessment program (QAAP) revenue is reduced in the amount of \$15,220,700 due to additional federal ARRA Medicaid funds of \$24,426,000 and associated GF/GP savings of \$9,205,300 resulting from a 13.2% retainer adjustment due to the increased federal benefit.

A reduction of \$4,697,900 Gross (\$1,351,100 GF/GP) represents savings generated by establishing and funding an additional 15.0 FTEs in the Medical Services Administration line dedicated to Medicaid payment recoveries and revenue maximization. Total savings of \$27,255,600 Gross (\$7,518,300 GF/GP) are realized when all lines impacted by the recovery and revenue maximization effort are considered. The line is reduced \$49,275,000 Gross (\$14,171,500 GF) representing the net effect of a transfer of \$19,710,000 Gross (\$5,668,600 GF) to the Home and Community-Based Services Waiver line to support transitioning additional nursing home occupants to the MIChoice program and associated nursing home savings of \$29,565,000 Gross (\$8,502,900 GF/GP) in the Long-Term Care Services appropriation line. Per the May 2010 consensus document, the nursing home QAAP retainer is increased by \$7,260,100 GF/GP with an identical offset of QAAP revenue. The Long-Term Care Services line is increased by \$58,652,600 Gross (\$16,868,500 state restricted) due to an increase in the nursing home quality assurance assessment program payments from \$448.0 million to \$507.0 million. Savings of \$1,112,700 Gross (\$320,000 GF/GP) are removed from the line representing lower expenditures resulting from the work of additional DHS inspectors who prevent cases from being opened that are based on questionable information.

The Medicaid Home- and Community-Based Services Waiver line item is decreased \$12,413,500 Gross (\$3,570,100 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$12,178,300 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. The line is increased \$19,710,000 Gross (\$5,668,600 GF) to support transitioning additional nursing home occupants to the MIChoice program. These are funds transferred from the Long-Term Care Services appropriation line.

The Adult Home Help Services line item is increased \$27,015,400 Gross (\$9,275,000 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$12,412,600 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. The line is increased \$13,855,600 Gross (\$4,740,000 GF/GP) to correct an error made at the July 2009 consensus projections. Adult Home Help and Personal Care Services adjustments were included in the Long-Term Care Services line item.

The Personal Care Services line item is increased \$6,315,300 Gross (\$1,626,100 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are increased by \$15,535,800 while GF/GP revenues are decreased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. The line is reduced \$2,369,100 Gross (\$810,500 GF/GP) to correct an error made at the July 2009 consensus projections. Adult Home Help and Personal Care Services adjustments were included in the Long-Term Care Services line item.

Within the Program of All-Inclusive Care for the Elderly line funding is increased \$7.0 million Gross (\$2,013,200 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are decreased by \$200,500 while GF/GP revenues are increased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011.

The Health Plan Services line is increased \$431,465,900 Gross (\$127,795,600 GF/GP) for Medicaid caseload adjustment. The line is increased for Medicaid health maintenance organization payment rates by .4%, \$9,828,600 Gross (\$6,844,200 GF/GP), to ensure that rates are actuarially sound. Current encounter data showing significant cost decreases for 0 to 1 year olds (mandatory enrollment of pregnant women into HMOs) and increased enrollment of healthier individuals into managed care lowered the original rate estimate from 3.0%. Federal funds within the line item are decreased by \$108,363,700 while GF/GP and state restricted revenues are increased \$69,835,100 and \$39,487,600 respectively, local decreased by \$959,000, to reflect a change in the federal Medicaid matching rate (FMAP) from 63.19% to 65.79% and the ARRA enhanced rate reduced from 73.27% to 71.24%. The ARRA rate of 71.24% is derived from a blend of 75.57% for the 1st quarter for the fiscal year and the 2nd and 3rd quarters of the fiscal year at a stepped-down rate expiring June 30, 2011. Due to the change in the regular FMAP rate from 63.19% to 65.79% GF/GP savings of \$1,584,200 are recognized for certified public expenditures (CPEs) with a like amount increase of federal Medicaid revenue.

Correction of a State psychiatric disproportionate share hospital (DSH) payment savings reduction that was duplicated in Executive Order 2008-21 is accomplished by reducing the line \$2,322,900 Gross (\$1.4 million GF/GP increase, \$2,322,900 state restricted decrease, \$1.4 million federal decrease). Increases the line by \$3,123,500 adjusting the FY 2009-10 base to reflect GF/GP savings associated with the hospital rate adjustment (HRA) state retainer in the Health Plan Services line rather than in the Hospital Services and Therapy line. The HRA was increased by \$31.4 million in FY 2009-10 to the upper payment limit. The line is increased by \$916,900 hospital quality assurance assessment program (QAAP) revenue replacing a like amount of federal Medicaid revenue to correct the fund sourcing of the FY 2009-10 hospital rate adjustment (HRA) payments. The line is reduced \$4,546,600 hospital quality assurance assessment program (QAAP) revenue and replaced with a like amount of GF/GP to recognize the transfer of State retainer GF savings to the Medicaid Mental Health Services line. These savings are related to hospital rate adjustment (HRA) payments made to hospitals by the mental health pre-paid inpatient health plans (PIHPs).

A base adjustment increase of \$60.0 million Gross (\$20,526,000 GF/GP) is an acknowledgement that full-year savings budgeted for FY 2009-10 by receiving rebates on HMO purchased pharmaceuticals for Medicaid beneficiaries will only be realized for ½ year beginning April 1, 2010. The line is increased by \$102,309,400 Gross (\$37,842,300 state restricted) recognizing the change in the amount of hospital rate adjustment (HRA) payments in FY 2009-10 from \$587.0 million to \$686.4 million. The line is increased \$3,487,100 Gross (\$1,192,900 GF/GP) to make whole Medicaid HMOs due to a higher use tax burden generated by the \$54.6 million increase of HRA payments. The line is increased by \$30,751,200 Gross (\$9,468,000 state restricted, \$1,052,000 local) recognizing the increase of specialty network access fee (SNAF) payments anticipated in FY 2009-10 from \$65.7 million to \$96.4 million. The line is increased \$1,962,800 Gross

(\$671,500 GF/GP) to make whole Medicaid HMOs due to a higher use tax burden generated by the \$30.8 million increase of SNAF payments.

Additional GF/GP State psychiatric hospital savings of \$947,700, therefore a GF/GP reduction, are realized due to a 2.5% increase of federal DSH authorization. This higher DSH level is allowed under ARRA and does require an increase in federal authorization of \$947,700 and a \$1,440,500 increase of state restricted authorization. An increase of \$41,813,300 Gross (\$14,304,300 state restricted) restores a 4% Medicaid payment rate reduction applied to hospitals in FY 2009-10. The Gross amount is financed with additional hospital quality assurance assessment program (QAAP) state restricted funds and matching federal funds. An additional \$14.5 million GF/GP offsets the same amount of state restricted hospital quality assurance assessment program (QAAP) revenue representing less State retainer available due to the change from the ARRA FMAP rate in FY 2009-10 to the regular FMAP rate in FY 2010-11. The line is reduced \$60.0 million Gross (\$20,526,000 GF/GP) representing the annualized FY 2009-10 savings from the receipt of rebates on Medicaid HMO purchased pharmaceuticals.

The line is increased \$69,517,400 Gross reflecting an increase up to \$165.0 million in FY 2010-11 for specialty network access fee (SNAF) payments made through HMOs to contracted practitioner groups using university and local funds to match federal Medicaid funds. The line is increased \$3,418,700 Gross (\$1,169,500 GF/GP) to make Medicaid HMOs whole due to a higher use tax burden generated by the \$69,517,400 increase of SNAF payments. Reduces the line by \$1,595,600 Gross but requires an increase of \$1,049,700 GF/GP, a loss of the State benefit, resulting from a reduction in the State psychiatric DSH level. A loss of Medicaid Benefits Trust Fund revenue would be made up by \$40.3 million of GF/GP. The line is reduced \$19,997,000 of hospital quality assurance assessment program (QAAP) revenue due to an increase of \$34,966,200 federal ARRA funds resulting from an increase from 73.27% to a blended ARRA FMAP rate of 71.24%. The \$14,969,200 GF/GP reduction is the result of the State retainer recalculation of 13.2% of the federal benefit generated by the hospital QAAP which supports HRA payments.

The line is reduced \$4,652,400 Gross (\$1,591,600 GF/GP) recognizing savings from an anticipated increase in the PlanFirst! family planning waiver program enrollment. A reduction of \$958,900 Gross (\$275,800 GF/GP) represents savings generated by establishing and funding an additional 15.0 FTEs in the Medical Services Administration line dedicated to Medicaid payment recoveries and revenue maximization. Total savings of \$27,255,600 Gross (\$7,518,300 GF/GP) are realized when all lines impacted by the recovery and revenue maximization effort are considered. Funding of \$3,296,800 GF/GP is reduced by eliminating the managed care component of the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months.

Total savings of \$3,735,200 GF/GP are realized when all TMA Plus associated appropriation lines are considered. Savings of \$2,375,100 GF/GP are realized by an offsetting increase in federal funds resulting from a Gross increase in certified public expenditures from \$68.9 million to \$72.2 million.

A reduction of \$3,400,300 GF/GP and an increase in a like amount of Medicaid Benefits Trust Fund (MBTF) revenue represents savings generated by establishing and funding 1.0 FTE position for a Medicaid Inspector General and an additional 4.0 FTEs for recovery activities. The line is reduced \$88,297,900 Gross (\$25,394,500 GF/GP), carving-out the 40% balance of the mental health drugs from managed to care to fee-for-service (FFS) in the Pharmaceutical Services line. Drug expenditures are required to be 100% FFS or managed care in order to qualify for federal rebates. Lost Use tax of \$5,297,900 Gross (\$1,523,700 GF/GP) is included in this amount. The line is reduced \$48,510,600 Gross (\$13,951,600 GF/GP) recognizing the full-year savings from correctly classifying aged, blind and disabled (ABAD) beneficiaries as ABAD vs. TANF in the new DHS BRIDGES system. This amount includes the loss of the Use tax \$2,910,600 GF/GP, by this action. The line is increased by \$1,706,500 Gross (\$490,800 GF/GP) to fund the transfer of foster care kids from fee-for-service (ffs) to managed care beginning November 1, 2010. Various ffs lines are reduced \$4,787,300 Gross (\$1,376,800 GF/GP), managed care payments are increased \$1,604,100 Gross (\$461,300 GF/GP), and there is an increase of \$102,400 Gross (\$29,400 GF/GP) due to the Use tax.

The MICHild Program line is increased \$1,945,900 Gross (\$466,100 GF/GP) for Medicaid inflation, caseload and utilization adjustments. The MICHild Program line item includes a federal funding increase of \$910,000 and GF/GP decreased by the same amount to reflect a change in the federal State Children's Health Insurance Program (SCHIP) matching rate from 74.23% to 76.05%. The line is increased \$763,200 Gross (\$182,800 GF/GP) recognizing the animalization of the FY 2009-10 MICHild dental rate increase. The dental rate increase became effective January 1, 2010.

The Plan First Family Planning Waiver line is increased \$626,800 Gross (\$62,700 GF/GP) reflecting a base adjustment increase for FY 2009-10 for the PlanFirst! family planning waiver program. An increase of \$1,860,900 Gross (\$186,100 GF/GP) is included to support a 2.9% caseload increase over FY 2009-10 and a 3.3% inflation and utilization increase from FY 2009-10.

The Medicaid Adult Benefits Waiver line is reduced \$25,756,400 federal due to the adult benefits waiver (ABW) program transitioning on January 1, 2010, from SCHIP Title XXI to Medicaid Title XIX financing. The Medicaid base FMAP rate for FY 2009-10 is 63.19% rather than the SCHIP FMAP rate of 74.23%, therefore there is less need for federal authorization in the last 9 month of the fiscal year. A Gross reduction of \$8,585,500 federal authorization represents the animalization

of the ABW program transition financing. The line is increased \$19,351,500 Gross (reduced \$319,900 GF/GP) reflecting Executive recommend financing adjustments due to conversion to the waiver program.

The Special Indigent Care Payments line includes a replacement of \$2,301,500 of local revenue with the same amount of federal Medicaid revenue to reflect an increase in the regular FMAP rate for Michigan from 63.19% to 65.79%.

The Federal Medicare Pharmaceutical Program is increased \$2,666,000 GF/GP based on a 2.9% caseload increase over FY 2009-10 and a 3.3% inflation and utilization increase from FY 2009-10. An additional \$160.0 million of Medicaid Benefits Trust Fund (MBTF) revenue offsets a like amount of GF/GP based upon an anticipated deposit to the fund related to the correction of a historical calculation of the FMAP. The creation by General Motors of a Voluntary Employee Benefits Association (VEBA) in 2006 resulted in artificially low FMAP rates in subsequent years. This payment is authorized by the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009, but the final amount is still yet to be determined. Includes savings of \$28,826,600 GF/GP offset by additional federal ARRA FMAP funds. Due to a recent determination from the federal Department of Health and Human Services the enhanced ARRA FMAP rate will be applied to the State contribution (clawback provision), that contribution being required by the Medicare Part D drug program.

There are no appropriation changes to the Promotion of Healthy Behavior Waiver line item.

There are no appropriation changes to the Maternal and Child Health line item.

The School-Based Services line is increased by \$26,665,900 Gross (a reduction of \$17,777,300 GF/GP) due to additional settlements with schools that provide Medicaid services. The schools provide the State match, with 60% of the federal matching dollars provided to the schools and 40% retained by the State to offset GF/GP.

The Special Medicaid Reimbursement line includes an action to correct a FY 2009-10 budget development adjustment by reducing regular Federal Medicaid match funding by \$137,000 and increasing federal ARRA Medicaid match by a like amount. Eliminates the FY 2009-10 Title XIX ARRA funding of \$8,051,200 offset by \$1,571,200 of additional local revenue, \$377,100 of additional private revenue, \$5,989,800 of additional state restricted revenue and \$113,100 of additional GF/GP. This methodology establishes the base so that the FY 2010-11 ARRA FMAP of 75.57% may be applied. The line includes an action that replaces \$433,300 local revenue and \$1,299,900 of state restricted revenue with \$1,733,200 of federal Medicaid revenue to reflect an increase in the regular FMAP rate for Michigan from 63.19% to 65.79%. The line is increased by \$93,130,100 Gross (\$29,812,100 state restricted, \$2,047,700 local) recognizing the

increase of physician adjustor payments anticipated from \$65.3 million to \$158.4 million. The line includes reductions of \$300,800 state restricted, \$197,100 local and \$137,100 federal representing miscellaneous adjustments to the line.

The line includes the replacement of \$8,645,800 state restricted and \$2,881,900 of local revenue of physician adjustor with \$11,527,700 of federal ARRA Medicaid revenue to reflect an increase in the FMAP rate from 65.79% to a blended annual rate of 71.24% for FY 2010-11. Base Medicaid budget adjustments proposed by the Executive and included in the House and Senate bills anticipated a six month extension of the enhanced ARRA FMAP. Federal law P.L. 111-226 signed into law August 10, 2010, extended the enhanced FMAP for six months though slightly different than in ARRA. An adjustment is made reflecting a phased-down across the board increase and modifications to the unemployment bonus. The line includes changes to correct FMAP adjustments for physician adjustor, dental adjustor and Bronson hospital disproportionate share hospital (DSH) payments. The adjustments are: a federal increase of \$433,600, a federal ARRA increase of \$5,282,300, a local authorization increase of \$1,463,100, a reduction of private revenue authorization of \$463,200, and a restricted revenue reduction of \$6,715,800. The outpatient uncompensated care disproportionate share hospital (DSH) pool is increased by \$27.0 million Gross (\$9,938,800 state restricted) the State match portion financed with hospital quality assurance assessment program (QAAP) revenue. There is adequate FY 2009-10 DSH allotment balance available.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 140 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 140 of 2009 provides for a reduction of \$745,400 GF/GP and an increase of state restricted revenue within the Health Plan Services line item. This adjustment assumes additional funding from legal settlements and fraud recoveries that are deposited into the Medicaid Benefits Trust Fund that would offset GF/GP currently used for Medicaid payments.

PUBLIC ACT 92 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 92 of 2010 increases the federal ARRA FMAP authorization within the Medicare Premium Payments line item by \$11,410,300 to recognize federal grant funds that extend the Qualified Individual (QI) program until December 31, 2010. The QI program reimburses for certain low-income elders or adults with disabilities for whom the Medicaid program pays their Medicare Part B premiums.

PUBLIC ACT 158 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 158 of 2010 includes a supplemental net increase of \$231,494,000 Gross (\$71,979,600 GF/GP) for various line items as Medicaid and MIChild program expenditures are higher than projected due to caseload, utilization and inflation costs as determined at the May 17, 2010 Medicaid consensus meeting between the House and Senate Fiscal Agencies and the State Budget Office. General fund/general purpose savings of \$71,890,700 are recognized due to a change in federal policy that allows the application of the enhanced ARRA Medicaid FMAP rate to the calculation of the Medicare Part D Prescription Drug Program phased-down state contribution, also known as the "clawback" payment. The Health Plan Services appropriation line is increased by \$7.5 million Medicaid Benefits Trust Fund revenue offset by a like amount of GF/GP savings. The supplemental includes an increase to the Long-Term Care Services appropriation line of \$40,651,200 Gross (\$25,687,500 federal revenue, \$4,097,600 ARRA revenue, and \$10,866,100 state restricted revenue) representing the net effect of increasing Medicaid payment rates to nursing homes through the quality assurance assessment program (QAAP) and a reduction of \$6,517,800 GF/GP that is offset with nursing home QAAP retained by the state.

The Health Plan Services appropriation line is reduced by \$41.5 million and the Pharmaceutical Services line is increased by a like amount which reflects a carve-out of psychotropic drugs from the HMOs. The carve-out corrects the alignment of psychotropic drug expenditures with the receipt of related pharmaceutical rebates. This policy change was required by the federal government and implemented April 1, 2010. The Health Plan Services line is reduced by \$2,648,900 Gross (\$708,100 GF/GP) due to reduced payments necessary to hold HMOs harmless from the use tax. The Long-Term Care Services and Personal Care Services appropriation lines are reduced by \$11,486,500 and \$2,369,100, respectively, and offset by a \$13,855,600 increase to the Adult Home Help Services line item. These adjustments correct the FY 2009-10 distribution of Medicaid consensus adjustments that were agreed to on July 2, 2009 by the House and Senate Fiscal Agencies and the State Budget Office.

The MIChild Program appropriation line is increased by \$884,800 Gross (\$228,000 GF/GP) recognizing a MIChild dental rate increase effective January 1, 2010. The increase is necessary to be in compliance with the dental package requirements stipulated in the federal Children's Health Insurance Program Reauthorization Act (CHIPRA). The Health Plan Services appropriation line is increased by \$32,714,000 Gross reflecting the net effect of increasing the specialty network access fee (SNAF) payments made through HMOs to contracted practitioner groups using university and local funds to match federal Medicaid funds. Included in the adjustment are the actual SNAF payments increase in the amount of \$30,751,200 Gross (\$20,680,900 federal revenue, \$9,602,100 ARRA revenue, \$59,500 local revenue, and \$408,700

state restricted revenue) and an increase of \$1,962,800 Gross (\$524,600 GF/GP) to hold HMOs harmless from the additional use tax.

The supplemental increases the disproportionate share hospital (DSH) allotment for the state psychiatric hospital by \$1,440,500 Gross which generates \$910,300 GF/GP savings, the state benefit. The Health Plan Services appropriation line is increased by \$58,118,300 Gross representing the net effect of increasing the hospital rate adjustment (HRA) payments. Included in the adjustment are the actual HRA payments increase in the amount of \$54,631,200 Gross (\$34,521,500 federal revenue, \$5,506,800 ARRA revenue, and \$14,602,900 state restricted revenue), an increase of \$3,487,100 Gross (\$932,100 GF/GP) to hold HMOs harmless from the additional use tax, and a reduction of \$8,059,700 GF/GP that is offset with hospital QAAP revenue retained by the state. The Health Plan Services line is reduced by \$2,322,900 Gross (\$1.4 million GF/GP increase) to correct a state psychiatric DSH payment savings reduction that was duplicated in Executive Order 2008-21.

The Health Plan Services line is reduced by \$3,123,500 Gross and the Hospital Services and Therapy line is increased by a like amount to correct where the savings associated with the hospital QAAP state retained amount are realized. The Hospital Services and Therapy appropriation line is increased by \$916,900 hospital QAAP revenue and replaced with a like amount of federal Medicaid revenue to correct the fund sourcing of FY 2009-10 hospital rate adjustment (HRA) payments. The School-Based Services line is increased by \$43,469,600 in federal authorization due to additional settlements with schools that provide Medicaid services supported with local funds. These federal funds are paid to local school districts for language, speech, hearing, nursing services, counseling, physical and occupational therapy, and health screening services for Medicaid eligible students in school settings.

PUBLIC ACT 193 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 193 of 2010 provides that Medicaid Benefits Trust Fund (MBTF) revenue of \$8,372,600 and \$44,500 of GF/GP, or \$8,417,100, offsets a like amount of federal State Children's Health Insurance program (SCHIP) Title XXI authorization in the Medicaid Adult Benefits Waiver (ABW) appropriation lines for physical and mental health. Beginning January 1, 2010, the ABW program's federal match portion is at the Medicaid FMAP rate of 63.19% rather than the SCHIP rate of 74.23%, therefore requiring additional state support to maintain the current program. Additional MBTF revenue is available due to a higher than anticipated FY 2009-10 fund balance and greater than anticipated cigarette tax revenue. An increase of \$101,498,200 Gross restores a 4.0% Medicaid payment rate reduction applied to hospitals and nursing homes in FY 2009-10. The gross amount is financed with additional nursing and hospital QAAP funds of \$31,081,500

and matching federal funds of \$70,416,700. The gross and state restricted amounts have been decreased by \$300, as compared to the House and Executive actions, to adjust for a technical error in the enacted bill.

A reduction of \$101,813,300 GF/GP for Medicaid programs is offset with an equal amount of revenue available from the Merit Award Trust Fund. The GF/GP offset was part of balancing the FY 2009-10 GF/GP budget. GF/GP savings of \$22.4 million are recognized by the Senate, due to a change in federal policy that now allows the application of the enhanced ARRA Medicaid FMAP rate to the calculation of the Medicare Part D Prescription Drug Program phased-down state contribution, also known as the "clawback" payment. It is estimated that the retroactive adjustment of Michigan's clawback payments to October 1, 2008, using the enhanced FMAP rate, would generate \$94.3 million in GF/GP savings available in FY 2009-10. Savings of \$71.9 million were previously recognized in House Bill 6086.

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 119. MEDICAL SERVICES								
Hospital services and therapy	1,335,404,600	1,329,191,000	1,329,191,000	1,326,346,200	1,329,251,600	1,308,254,500	0	1,308,254,500
Hospital disproportionate share payments	45,000,000	45,000,000	45,000,000	55,000,000	50,000,000	52,500,000	0	52,500,000
Physician services	341,317,300	505,169,200	505,169,200	323,846,900	328,305,500	301,252,900	0	301,252,900
Medicare premium payments	341,408,400	399,145,000	399,145,000	399,145,000	399,145,100	399,490,400	0	399,490,400
Pharmaceutical services	315,359,600	305,134,300	305,134,300	305,439,300	306,550,700	401,414,600	0	401,414,600
Home health services	6,044,700	5,336,200	5,336,200	5,336,200	5,336,300	6,109,200	0	6,109,200
Hospice services	103,153,700	114,175,200	114,175,200	114,175,200	114,175,300	115,000,000	0	115,000,000
Transportation	13,000,000	12,993,300	15,481,300	12,993,300	13,000,000	15,481,300	0	15,481,300
Auxiliary medical services	7,599,500	2,741,000	2,741,000	4,741,000	6,967,100	5,487,500	0	5,487,500
Dental services	126,426,400	125,352,200	125,352,200	144,910,200	144,922,400	145,313,300	0	145,313,300
Ambulance services	11,734,700	11,871,200	11,871,200	11,871,200	11,871,900	11,335,700	0	11,335,700
Long-term care services	1,593,808,300	1,621,772,100	1,680,424,700	1,604,393,700	1,621,772,100	1,687,362,700	0	1,687,362,700
Medicaid home- and community-based services w	176,426,800	189,566,800	189,566,800	196,136,800	189,566,800	183,723,300	0	183,723,300
Adult home help services	264,057,900	305,534,800	305,534,800	305,534,800	305,534,900	304,928,900	0	304,928,900
Personal care services	20,463,400	14,605,900	14,605,900	14,605,900	14,606,000	24,409,600	0	24,409,600
Program of all-inclusive care for the elderly	16,600,000	16,600,000	16,600,000	16,600,000	16,600,100	23,600,000	0	23,600,000
Health plan services	3,483,069,900	4,371,469,100	4,371,469,100	3,758,014,000	3,803,219,600	4,028,012,700	0	4,028,012,700
MiChild program	50,000,000	53,063,700	53,063,700	56,063,700	53,063,700	52,709,100	0	52,709,100
Plan first family planning waiver	8,782,200	11,269,900	11,269,900	11,269,900	11,269,900	11,269,900	0	11,269,900
Medicaid adult benefits waiver	139,198,700	104,856,800	104,856,800	104,856,800	104,856,900	124,208,300	0	124,208,300
Special indigent care payments	88,518,500	88,518,500	88,518,500	88,518,500	88,518,500	88,518,500	0	88,518,500
Federal Medicare pharmaceutical program	183,611,800	180,945,800	180,945,800	180,945,800	180,945,900	152,119,200	0	152,119,200
Promotion of healthy behavior waiver	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	0	10,000,000
Maternal and child health	20,279,500	20,279,500	20,279,500	20,279,500	20,279,500	20,279,500	0	20,279,500
Subtotal basic medical services program	8,701,265,900	9,844,591,500	9,905,732,100	9,071,023,900	9,129,759,800	9,472,781,100	0	9,472,781,100
School-based services	64,630,600	64,630,600	64,630,600	64,630,600	64,630,600	91,296,500	0	91,296,500
Special Medicaid reimbursement	239,696,400	332,191,500	332,191,500	332,191,500	332,191,500	359,191,500	0	359,191,500
Subtotal special medical services payments	304,327,000	396,822,100	396,822,100	396,822,100	396,822,100	450,488,000	0	450,488,000
GROSS APPROPRIATION	9,005,592,900	10,241,413,600	10,302,554,200	9,467,846,000	9,526,581,900	9,923,269,100	0	9,923,269,100
Appropriated from:								
Federal revenues:								
Total other federal revenues	5,685,443,500	6,710,189,900	6,751,186,200	6,201,017,900	6,237,985,400	6,547,019,700	0	6,547,019,700
Federal FMAP stimulus (ARRA)	851,168,400	682,461,200	686,059,800	751,239,300	758,444,300	500,035,500	0	500,035,500
Special revenue funds:								
Total local revenues	57,524,400	56,980,900	56,980,900	56,980,900	58,444,000	59,888,900	0	59,888,900
Total private revenues	3,100,000	3,477,100	3,477,100	3,477,100	3,013,900	3,013,900	0	3,013,900
Merit award trust fund	18,431,200	144,751,800	144,751,800	144,751,800	144,751,800	81,988,900	0	81,988,900
Total other state restricted revenues	1,343,710,000	1,902,593,600	1,919,462,100	1,611,131,100	1,595,877,900	1,634,933,200	0	1,634,933,200
State general fund/general purpose	1,046,215,400	740,959,100	740,636,300	699,247,900	728,064,600	1,096,389,000	0	1,096,389,000

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY

Recognizing available fee revenue to support the Information Technology Services and Projects line item, the following sources of revenue are increased: certificate of need by \$58,000, pain management by \$280,000, radiological health by \$75,000, and emergency medical services by \$26,600. Also, recognizing available fee revenue to support the Information Technology Services and Projects line item, the following sources of revenue are reduced: first and third party by \$103,000, health professions regulatory fees by \$280,000, and health systems fees and collections by \$56,600. The completion of the Women, Infants, and Children (WIC) electronic benefits transfer (EBT) grant reduces federal funding for the Information Technology Services and Projects line item by \$971,300. The grant funds were used to plan, develop, and implement pilot projects for providing WIC benefits electronically. Funds for the Information Technology Services and Projects line item are reduced by \$400,000 Gross (all state restricted revenue) to reflect newborn screening fee revenue available to support the line item. Savings of \$131,500 Gross (\$30,200 GF/GP) are recognized for the Information Technology Services and Projects line item due to the consolidation of the Department of Management and Budget with the Department of Information Technology.

Funds for the Information Technology Services and Projects line item are reduced by \$92,300 Gross (\$21,300 GF/GP) to finance a 3.0% salary and wage increase for unionized employees. Included in this adjustment is the removal of funding for the 3.0% salary and wage increase and related fringe benefit costs of \$339,000 Gross (\$78,000 GF/GP) for non-exclusively represented employees (NEREs). Employees' defined benefit retirement costs supporting the Information Technology Services and Projects line item are increased by \$271,000 Gross (\$62,300 GF/GP). Employees' defined contribution retirement costs supporting the Information Technology Services and Projects line item are increased by \$79,700 Gross (\$18,400 GF/GP). Employees' insurance costs supporting the Information Technology Services and Projects line item are increased by \$136,100 Gross (\$31,300 GF/GP).

The enacted budget includes no changes to Medicaid Michigan Information System line item.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 142 OF 2010 SUPPLEMENTAL APPROPRIATIONS

Public Act 142 of 2010 reduces funding for the Information Technology Services and Projects line item by \$132,600 Gross (\$39,100 GF/GP) to reflect savings that will be achieved through employee concession measures (banked leave time and furlough days).

	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11		
FY 2010-11	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	SENATE	HOUSE	ENROLLED	FY 2010-11	FY 2010-11
P.A. 187 of 2010 (S.B. 1152)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	11-Feb-10	11-Feb-10	25-Aug-10	24-Mar-10	27-May-10	22-Sep-10	30-Sep-10	30-Sep-10
Sec. 120. INFORMATION TECHNOLOGY								
Information technology services and projects	36,133,500	35,364,200	35,025,200	35,364,200	35,364,200	35,025,200	0	35,025,200
Michigan Medicaid information system	16,801,100	16,801,100	16,801,100	16,801,100	16,801,100	16,801,100	0	16,801,100
GROSS APPROPRIATION	52,934,600	52,165,300	51,826,300	52,165,300	52,165,300	51,826,300	0	51,826,300
Appropriated from:								
Federal revenues:								
Total federal revenues	37,225,800	36,675,900	36,438,600	36,675,900	36,675,900	36,438,600	0	36,438,600
Special revenue funds:								
Total other state restricted revenues	3,573,900	3,216,000	3,192,300	3,216,000	3,216,000	3,192,300	0	3,192,300
State general fund/general purpose	12,134,900	12,273,400	12,195,400	12,273,400	12,273,400	12,195,400	0	12,195,400

BOILERPLATE

GENERAL SECTIONS BOILERPLATE

Sec. 201. State Spending

Total FY 2010-11 state spending from state resources under Part 1 and state spending from state resources to be paid to local units of government.

Sec. 202. Authorized Appropriations

Provides that appropriations authorized under this act are subject to the Management and Budget Act. Provides that funds in which the state acts as a custodian or agent are not subject to an annual appropriation.

Sec. 203. Terms and Acronyms

Provides definitions for terms and acronyms used in this act.

Sec. 204. Civil Service Charges

Requires the Civil Service Commission to bill DCH at the end of the first fiscal quarter for the charges authorized by the State Constitution of 1963. Requires DCH to pay the total billing by end of the second fiscal quarter.

Sec. 205. Hiring Freeze

Imposes hiring freeze on full-time state classified civil service employees, except internal transfers of classified employees from one position to another within a department or when the freeze will render DCH unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, and necessitate additional expenditures that exceed vacancy savings. Requires annual report on the number of exceptions to the hiring freeze and reasons to justify those exceptions.

Sec. 206. Contingency Funds

Appropriates up to \$100 million federal contingency funds, up to \$20 million state restricted contingency funds, up to \$20 million local contingency funds, and up to \$10 million private contingency funds. Specifies that contingency funds are not available for expenditure until transferred according to Section 393(2) of the Management and Budget Act, 1984 PA 431, MCL 18.1393.

Sec. 208. Internet Reporting Requirements

Requires that DCH use the Internet to fulfill the reporting requirements of this act, 2010 PA 187.

Sec. 209. American Goods or Services and Michigan Goods or Services

Prohibits the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Requires that preference be given to goods or services, or both, manufactured by Michigan businesses if competitively priced and of comparable quality. Requires that preference be given to goods or services, or both, manufactured by Michigan businesses owned and operated by veterans if competitively priced and of comparable quality.

Sec. 210. Businesses in Deprived and Depressed Communities

Requires DCH to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both.

Sec. 211. Fee Revenue and Restricted Fund Balances

Allows the carryforward of fee revenue, with approval of the State Budget Director, into the next fiscal year and to be used as the first source of funding in that fiscal year. Requires report on balances of restricted funds administered by DCH.

Sec. 212. Fund Sources Supporting Line Items

Requires report by February 1, 2011, on FY 2010-11 appropriation fund sources by line item. Requires report on the amounts and detailed sources of revenue that support FY 2011-12 Executive Budget Recommendation upon budget release.

Sec. 213. Report on Tobacco Tax and Healthy Michigan Funds

Requires state departments, agencies, and commissions receiving tobacco tax and Healthy Michigan funds to report on programs utilizing these funds by April 1, 2011, to the House and Senate Appropriations Committees, House and Senate Fiscal Agencies, and State Budget Director.

Sec. 214. Use of Tobacco Tax Revenue

Prohibits using tobacco tax revenue deposited in the Healthy Michigan fund for lobbying as defined in 1978 PA 472.

Sec. 215. Policy Changes Implementing Public Acts

Requires a report by April 1, 2011 on each policy change made to implement a public act affecting DCH which took effect during the preceding calendar year. Prohibits the use of appropriated funds by DCH on adopting a rule that will apply and have a disproportionate economic impact on small businesses.

Sec. 216. Use of Prior-Year Revenue

Allows the use of prior-year revenue for write-offs of accounts receivables, deferrals, and prior-year obligations. Does not limit DCH's ability to satisfy appropriation deductions in Part 1 to collections and accruals in the current fiscal year. Requires DCH to report by March 15, 2011, on all reimbursements, refunds, adjustments, and settlements from prior years to the House and Senate Appropriations Subcommittees on Community Health.

Sec. 218. Basic Health Services

Lists basic health services embodied in Part 23 of the Public Health Code that are to be available and accessible throughout the state.

Sec. 219. DCH Contracts with the Michigan Public Health Institute

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 by November 1, 2010, and May 1, 2011. Requires DCH to provide, by September 30, 2011, copies of all reports, studies, and publications produced by the Institute.

Sec. 220. Audits of Michigan Public Health Institute Contracts

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.

Sec. 223. Fees for Publications, Videos, Conferences, and Workshops

Allows DCH to establish and collect fees for publications, videos and related materials, conferences, and workshops. Requires collected fees to be used to offset expenditures for printing and mailing costs of publications, videos and related materials, and costs of conferences and workshops. Prohibits DCH from collecting fees that exceed expenditures.

Sec. 259. User Fees for Information Technology (IT) Services and Projects

Directs DCH to pay user fees to the Department of Technology, Management, and Budget (DTMB) for technology-related services and projects from Part 1 appropriated funds for IT. Subjects user fees to provisions of an interagency agreement between DCH and DTMB.

Sec. 264. Submission and Applications for Medicaid Waivers

Requires DCH to notify the House and Senate Appropriations Subcommittees on Community Health, and House and Senate Fiscal Agencies upon the submission of a Medicaid waiver, a Medicaid state plan amendment, or similar proposal

to the Centers for Medicare and Medicaid Services. Requires written and verbal biannual reports on the status of discussions with federal agencies on potential or future Medicaid waiver applications.

Sec. 265. Retention of Reports

Directs departments and agencies receiving Part 1 appropriations to receive and retain copies of all reports funded from Part 1 appropriations.

Sec. 266. Out-of-State Travel

Limits out-of-state travel to when it is required by legal mandate or is necessary to protect the health or safety of Michigan citizens, produce budgetary savings or increase state revenue, comply with federal requirements, secure specialized training for staff financed entirely by federal or nonstate funds. Requires DCH to report on out-of-state travel for the preceding fiscal year by January 1, 2011.

Sec. 267. Disciplinary Action Against State Employee

Prohibits DCH from taking disciplinary action against an employee for communicating with a member of the Legislature or his/her staff.

Sec. 270. Notification from Attorney General on Legal Actions

Requires DCH to provide a written report on total amounts recovered from legal actions, programs, or services for which monies were originally expended; details on disposition of funds recovered from legal actions; and descriptions of facts involved in legal actions within 180 days after receipt of notice from the Attorney General of legal actions in which expenses have been recovered.

Sec. 271. Mental Health Services Intervention Pilot Project

Requires DCH, in cooperation with a PIHP, Medicaid HMO, or federally qualified health center to establish and implement an early mental health services intervention pilot project. Requires the project to provide care coordination, disease management, and pharmacy management to eligible recipients suffering from chronic disease including, but not limited to, diabetes, asthma, substance addiction, or stroke. Requires DCH to encourage each CMHSP and Medicaid health plan act in a coordinated manner in the establishment of their respective electronic medical record systems. Requires a progress report on the pilot project by May 1, 2011.

Sec. 276. Legal Services of Attorney General

Prohibits use of appropriated funds by DCH to hire a person to provide legal services that are the responsibility of the Attorney General. Provides that the prohibition does not apply to legal services for bonding activities and those activities authorized by the Attorney General.

Sec. 282. Administrative Costs for Coordinating Agencies and Area Agencies on Aging

Requires DCH to establish uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by the following entities: coordinating agencies on substance abuse, Salvation Army Harbor Light program, and area agencies on aging and local providers. Requires DCH to provide a written draft of its proposed definitions, standards, and instructions by May 15, 2011.

Sec. 285. Prescription Drug Website – VETOED

Requires DCH to expand its prescription drug website, by July 1, 2011, to provide: the 150 most commonly prescribed brand name drug products under the Medicaid program, links to other websites that would be of assistance to consumers, and toll-free numbers that residents may call to determine eligibility for prescription drug programs including free and discounted prescription drug programs.

Sec. 287. General Fund/General Purpose Lapses

Requires DCH to report on the estimated general fund/general purpose appropriation lapses at the close of the previous fiscal year by no later than December 1, 2010.

Sec. 292. Civil Service Classification Pay Status and Publicly Accessible Internet Website

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. Prohibits DCH from providing financial information on the website that violates federal or state law, rule, regulation, or guideline that establishes applicable privacy or security standards.

Sec. 293. Implementation of Publicly Accessible Internet Website

Prohibits DCH from expending more than \$10,000 from Part 1 appropriations to implement publicly accessible Internet website.

DEPARTMENTWIDE ADMINISTRATION BOILERPLATE

Sec. 301. Worker's Compensation Funds

Allows DCH to make payment from funds appropriated for worker's compensation for wage and salary and related fringe benefits for employees who return to work under limited duty assignments.

Sec. 303. First-Party Payments for Mental Health Services

Prohibits DCH from requiring first-party payments from individuals or families with taxable income of \$10,000 or less for mental health services for determinations made in accordance with Section 818 of Mental Health Code (MCL 330.1818).

MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES BOILERPLATE

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Sec. 350. Michigan Protection and Advocacy Agency

Allows DCH to enter into contract with Michigan Protection and Advocacy Agency or similar organization to provide legal services for gaining and maintaining occupancy in a community living arrangement under lease or contract with DCH or CMHSPs to provide services to persons with mental illness or developmental disability.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 401. Comprehensive System of CMH Services

Provides that Part 1 appropriated funds are to support a comprehensive system of CMH services under the full authority and responsibility of local CMHSPs or prepaid inpatient health plans (PIHPs). Requires that DCH ensure each CMHSP or PIHP provides 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. 402. Contracts Between DCH and CMHSPs/PIHPs

Requires final authorizations to CMHSPs or PIHPs be made upon execution of contracts between DCH and CMHSPs or PIHPs. Requires each contract with a CMHSP or PIHP to include a provision that it is not valid unless the total dollar obligation of all contracts entered into between DCH and CMHSPs or PIHPs for FY 2010-11 does not exceed Part 1

appropriations. Requires DCH to report immediately to the House and Senate Appropriations Subcommittees on Community Health, House and Senate Fiscal Agencies, and State Budget Director if there are new contracts or amendments to contracts with CMHSPs or PIHPs that would affect enacted rates or expenditures.

Sec. 403. Mental Health Services for Special Populations

Requires DCH to ensure CMHSPs or PIHPs meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement. Prohibits appropriations for mental health services for special populations from being utilized for services to illegal immigrants, fugitive felons, and people who are not residents of the state. Requires annual report from independent organizations receiving mental health services for special populations funding.

Sec. 404. Report on CMHSPs

Requires DCH to report by May 31, 2011, on the following for CMHSPs or PIHPs: expenditures and services data, information about access to CMHSPs, lapses and carry-forwards during FY 2009-10, information on the CMH Medicaid managed care program, performance indicator information 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. 405. Wage Increase to Direct Care Workers

States legislative intent that the wage increase funded in previous years for direct care workers in local residential settings and settings where skill building, community living supports and training, and personal care services are provided to continue to be paid to direct care workers.

Sec. 406. Appropriations for State Disability Assistance Substance Abuse Services Program

Requires funds appropriated for the state disability assistance substance abuse services program be used to support per diem and board payments in substance abuse residential facilities. Requires DCH to reimburse all eligible licensed substance abuse programs at a rate equivalent to that paid by DHS to adult foster care providers.

Sec. 407. Substance Abuse Prevention, Education, and Treatment Grants

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. Requires DCH to approve a coordinating agency fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay. States legislative intent that coordinating agencies continue current efforts to

collaborate on the delivery of services to those clients with severe and persistent mental illness and substance abuse diagnoses. Requires coordinating agencies that are located completely within the boundary of a PIHP to conduct a study on administrative costs and efficiencies associated with consolidation with that PIHP. Stipulates that a coordinating agency realizing an administrative cost savings of 5% or greater of their current costs initiate discussions regarding a potential merger in accordance with section 6226 of the Public Health Code (MCL 333.6226).

Sec. 408. Report on Substance Abuse Prevention, Education, and Treatment Programs

Requires DCH to report by April 15, 2011, on expenditures and services data on substance abuse prevention, education, and treatment programs for FY 2009-10.

Sec. 409. Substance Abuse Services to Clients with Children

Requires funds for substance abuse services to be distributed in a manner to provide priority to service providers that furnish child care services to clients with children.

Sec. 410. Substance Abuse Treatment for DHS Recipients

Requires DCH to assure that substance abuse treatment is provided to applicants and recipients of public assistance through the DHS who are required to obtain substance abuse treatment as a condition of eligibility for public assistance.

Sec. 411. Jail Diversion Services for Persons with Mental Illness or Developmental Disability

Directs DCH to ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage diversions for persons with mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate. Requires each CMHSP or PIHP to have jail diversion services and work toward establishing relationships with representative staff of local law enforcement agencies.

Sec. 412. Non-Medicaid Substance Abuse Services

Requires DCH to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance abuse services.

Sec. 414. Medicaid Substance Abuse Services

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. Requires PIHPs to be responsible for the reimbursement of claims for

specialized substance abuse services. Allows PIHPs that are not coordinating agencies to continue to contract with a coordinating agency provided that the alternative arrangement is based on client service needs and has prior approval from DCH.

Sec. 418. Monthly Report on Medicaid Managed Mental Health Program

Requires DCH to report on the amount of funding paid to PIHPs to support the Medicaid managed mental health program in the preceding month.

Sec. 424. Timely Claims Process for PIHPs

Requires that PIHPs contracting with DCH to provide services to the Medicaid population adhere to the timely claims processing and payments procedure to claims submitted by health professionals and facilities as described in 2000 PA 187.

Sec. 428. Contingency Appropriation for PIHPs

Requires PIHPs to provide local funds from internal resources that can be used as a bona fide source for the state match required under the Medicaid program in order to increase capitation rates for PIHPs.

Sec. 435. County Matching Funds to CMHSP

Directs counties required under provisions of the Mental Health Code to provide matching funds to CMHSPs for mental health services rendered to residents in its jurisdiction to pay these funds in equal installments on a quarterly basis throughout the fiscal year.

Sec. 442. Medicaid Adult Benefits Waiver Program

Expresses legislative intent that \$41,386,000 transferred from CMH Non-Medicaid Services to support the Medicaid Adult Benefits Waiver program be used to provide state match for increases in federal funds for primary care and specialty services provided to Medicaid Adult Benefits waiver enrollees and economic increases for Medicaid Specialty Services and Supports program. Requires the general fund balance to be transferred back to CMH Non-Medicaid Services if enrollment in the Medicaid Adult Benefits Waiver program does not achieve expectations and funding for the program is not expended. Requires DCH to report to the House and Senate Appropriations Subcommittees on Community Health quarterly on a summary of eligible expenditures for the Medicaid Adult Benefits Waiver program by CMHSPs.

Sec. 452. Financial Impact on CMHSPs

Prohibits retroactive implementation of any policy that results in a negative financial impact on CMHSPs or PIHPs.

Sec. 456. Consumer Choices for Mental Health Services

Requires CMHSPs and PIHPs to honor consumer choices for skill-building assistance, rehabilitative and habilitative services, supported and integrated employment services program settings, and work preparatory services provided in the community or by accredited community-based rehabilitation organizations. Requires that CMHSPs and PIHPs take all necessary steps to ensure that individuals with mental illness, developmental disabilities, or substance abuse issues are placed in the most integrated settings if that is their choice after being fully informed.

Sec. 458. Recommendations of Michigan Mental Health Commission and Cost-Benefit Analysis for Residential Facilities and Specialized Mental Health Court Program

Requires DCH to report by April 15, 2011, on the following: an updated plan for implementing each recommendation of the Michigan Mental Health Commission report on October 15, 2004; a cost-benefit analysis of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness including residential facilities' potential impact on the state's need for adult mental health facilities; and a cost-benefit analysis of establishing specialized mental health court program that diverts adults with serious mental illness alleged to have committed an offense deemed nonserious into treatment prior to the filing of any charges.

Sec. 462. Funding Equity Plan for CMH Non-Medicaid Services

Requires DCH to continue to utilize the FY 2009-10 funding formula for all CMHSPs that receive funds appropriated under the CMH non-Medicaid services line, with the exception of administrative costs. Requires DCH to convene a Workgroup, including CMHSPs, regarding the allocation of the current fiscal year administrative reduction of \$3,797,900.

Sec. 463. Program Evaluation Measures for Substance Abuse Services

Directs DCH to establish standard program evaluation measures to assess the effectiveness of programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance abuse.

Sec. 468. Incorporation of Coordinating Agencies into CMH Authorities

Requires DCH to maintain criteria for the incorporation of a city, county, or regional substance abuse coordinating agency into a local CMH authority. Allows DCH to make accommodations and adjustments in formula distribution to coordinating agencies if all of the following are met: funding not exceeding \$75,000 is provided to any coordinating agency for administrative costs incurred by incorporating into a CMH authority, accommodations and adjustments do not favor coordinating agencies who voluntarily elect to integrate with CMH authorities, and accommodations and adjustments do not negatively affect other coordinating agencies.

Sec. 470. Integration of Mental Health and Substance Abuse Services

Directs DCH to establish written expectations, such as coordination and consolidation of administrative functions, for CMHSPs, PIHPs, coordinating agencies, and counties on the integration of mental health and substance abuse services for those coordinating agencies that have voluntarily incorporated into CMH authorities and accepted funding from DCH for administrative costs incurred when incorporating into authorities. Requires May 1, 2011 status report on the integration of mental health and substance abuse services.

Sec. 474. Guardianship of Recipients

Directs DCH to ensure each contract with a CMHSP or PIHP requires the CMHSP or PIHP to provide each recipient and his/her family with information regarding the different types of guardianship. Prohibits a CMHSP or PIHP from attempting to reduce or restrict the ability of a recipient or his/her family from obtaining legal guardianship without just cause.

Sec. 480. Atypical Antipsychotic Prescriptions

Requires a report on the number and reimbursement cost of atypical antipsychotic prescriptions by each PIHP for Medicaid beneficiaries by March 30, 2011.

Sec. 482. Odyssey House

Requires DCH to continue funding for programs provided by Odyssey House.

Sec. 489. CMH Non-Medicaid Funding Reductions

Requires DCH to work with the Michigan Association of CMH Boards and individual CMHSPs to mitigate reductions to CMH non-Medicaid Services line by seeking alternative funding sources.

Sec. 490. Uniform Standards for Providers Contracting with PIHPs, CMHSPs, and Coordinating Agencies

Requires the Department to establish a Workgroup to develop a plan to maximize uniform and consistent standards required of providers contracting directly with PIHPs, CMHSPs, and substance abuse coordinating agencies. Requires the standards to apply to community living supports, personal care services, substance abuse services, skill-building services, and other similar supports and services. Requires the Workgroup to include representatives of DCH, PIHPs, CMHSPs, substance abuse coordinating agencies, and affected providers.

Sec. 491. Habilitation Supports Waiver for Persons with Developmental Disabilities

Requires the Department to explore changes in the Habilitation Supports Waiver for Persons with Developmental Disabilities that would permit a slot to become available to a county that has demonstrated a greater need for the services.

Sec. 492. Mental Health Services to County Jail Inmates

Does not allow the Department to prohibit the use of GF/GP dollars by CMHSPs to provide mental health services to inmates of a county jail if a CMHSP has entered into an agreement with a county or county sheriff.

Sec. 493. Self-Help Addiction Rehabilitation (SHAR), Inc.

Allocates \$1 million to enhance the community health outreach program provided by SHAR, Inc.

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

Sec. 601. Third-Party Payments and Revenue Recapture Project

Requires that priority be given to obtaining third-party payments for services in funding staff in the financial support division, reimbursement, billing, and collection services. Requires that collections from individual recipients of services be handled in a sensitive and nonharassing manner. Requires DCH to continue a revenue recapture project to generate additional third party revenue from cases that are closed or inactive.

Sec. 602. Gifts and Bequests

Authorizes the carryforward of unexpended and unencumbered funds up to \$1,000,000 from gifts and bequests for patient living and treatment environments for one fiscal year. Specifies that gifts and bequests are to provide specific enhancements for individuals residing at state-operated facilities.

Sec. 603. Forensic Mental Health Services Provided to the Department of Corrections (DOC)

Specifies that funds appropriated in Part 1 for Forensic Mental Health Services Provided to DOC are in accordance with the interdepartmental plan developed in cooperation with DOC. Authorizes DCH to receive and expend funds from DOC to fulfill obligations outlined in the interdepartmental agreement. Requires DCH to provide a copy of the interdepartmental plan, which is to be updated every three years, to the House and Senate Appropriations Subcommittees on Community Health, and House and Senate Fiscal Agencies by February 15, 2011.

Sec. 604. Annual Reports for CMHSPs

Requires CMHSPs or PIHPs to provide annual reports to DCH on the following: number of days of care purchased from state hospitals and centers, and private hospitals; number and type of alternative placements to state hospitals and centers other than private hospitals; and waiting lists for placements in state hospitals and centers. Directs DCH to

annually report this information to the House and Senate Appropriations Subcommittees on Community Health, House and Senate Fiscal Agencies, and State Budget Director.

Sec. 605. Closures or Consolidations of State Hospitals and Centers

Prohibits DCH from implementing any closures or consolidations of state hospitals, centers, and agencies until CMHSPs or PIHPs have programs and services in place for those persons currently in the facilities. Requires DCH to provide a closure plan four months after closure certification to the House and Senate Appropriations Subcommittees on Community Health and State Budget Director. Requires the transfer of remaining operational funds from closed state hospitals, centers, and agencies to CMHSPs or PIHPs responsible for providing services to these clients.

Sec. 606. Patient Reimbursement

Allows DCH to collect revenue for patient reimbursement from first and third party payers, including Medicaid and local county CMHSP payers, to cover the cost of placement in state hospitals and centers. Authorizes DCH to adjust financing sources for patient reimbursement based on actual revenue earned. Allows the carryforward of revenue collected that exceeds current-year expenditures if approved by the State Budget Director.

Sec. 608. Privatization of Food and Custodial Services

Requires DCH, in consultation with the Department of Technology, Management and Budget, to implement a bid process to identify 1 or more private contractors to provide food and custodial services for the administrative areas at any state hospital identified by DCH as capable of generating 7.5% minimum savings through the outsourcing of those services.

Sec. 609. Tobacco Use in State Psychiatric Facilities

Continues the prohibition on use of all tobacco products in and on the grounds of state psychiatric facilities.

PUBLIC HEALTH BOILERPLATE

PUBLIC HEALTH ADMINISTRATION

Sec. 650. Fish Consumption Advisory

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.

Sec. 653. Public Health Emergency Planning

Requires DCH to develop plans to address potential state public health emergencies.

HEALTH POLICY, REGULATION, AND PROFESSIONS

Sec. 704. Emergency Medical Services (EMS) Grantees and Contractors

Requires DCH to continue to work with EMS grantees funded from Part 1 appropriations to ensure that a sufficient number of qualified EMS personnel exist to serve rural areas of the state.

Sec. 706. Nursing Home Inspectors

Requires that DCH make every effort to hire qualified nursing home inspectors with past experience in the long-term care industry.

Sec. 707. Nursing Scholarship Program

Require that funds appropriated for the Nursing Scholarship Program be used to increase nurses practicing in Michigan. Encourages the Board of Nursing to structure scholarships in which recipients who intend to practice nursing in this state are rewarded. Requires DCH and Board of Nursing to work cooperatively with Michigan Higher Education Assistance Authority to coordinate scholarship assistance.

Sec. 708. Quarterly Staff Reports from Nursing Facilities

Requires that nursing facilities' quarterly reports to DCH include the total patient care hours provided each month and the percentage of pool staff, by state licensure and certification classification, used each month during the preceding quarter. Requires DCH to make the quarterly staff report available to the public.

Sec. 709. Michigan Essential Health Care Provider Program

Allows funds appropriated for Michigan Essential Health Care Provider Program to be used to provide loan repayment for dentists that meet the criteria established in Part 27 of the Public Health Code, MCL 333.2701 to MCL 333.2727.

Sec. 710. Primary Care Services Funding for Health Centers

Allocates up to \$2,172,700 to enhance the service capacity of federally qualified health centers and similar health centers providing primary care services.

Sec. 711. Customized Listings of Nonconfidential Information

Allows DCH to make customized listings of nonconfidential information in its possession, such as names and addresses of licensees, available to interested entities. Allows DCH to establish and collect a reasonable charge for providing the customized listings. Requires revenue received from this service to be used to offset expenses for providing the service. Requires unexpended revenue balances to revert to the appropriate restricted fund.

Sec. 712. Free Health Clinics

Allocates \$250,000 to free health clinics, nonprofit organizations that use volunteer health professions to provide care to uninsured individuals, from the funds appropriated for primary care services. Requires that DCH distribute funds equally to each free health clinic.

Sec. 713. Funding for Multicultural Agencies Providing Primary Care Services

Directs DCH to continue to support multicultural agencies that provide primary care services from Part 1 appropriated funds.

Sec. 714. Nursing Facility Complaint Investigations

Requires DCH to report to the Legislature by April 1, 2011 on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. Requires DCH to make every effort to contact complainants during the investigations.

Sec. 716. Investigations of Health Care Professionals

Requires DCH to give priority in investigations of alleged wrongdoing by licensed health care professionals that are alleged to have occurred within two years of the initial complaint.

Sec. 718. Nursing Home Complaint Deficiencies

Requires study on frequently cited complaint deficiencies for nursing homes during the prior three fiscal years by May 1, 2011.

Sec. 720. Helen M. Nickless Volunteer Clinic

Allocates \$75,000 for the Helen M. Nickless Volunteer Clinic in Bay City.

Sec. 722. Medical Professional

Specifies that a newly-accepted professional into the Michigan Essential Health Provider Program in FY 2008-09 is eligible for four years of loan repayments.

Sec. 724. Coordinated Statewide Trauma Care System

Permits allocation up to \$100 for the development of a coordinated statewide trauma care system.

Sec. 725. Rural Health Improvements

Permits allocation up to \$100 to support improvements as identified in "Michigan Strategic Opportunities for Rural Health Improvement, A State Rural Health Plan 2008-2012".

Sec. 726. Fees for Medical Marihuana Program

Requires DCH to submit an annual report on the amount collected from application and renewal fees for the Medical Marihuana Program, including the cost of administering the program.

Sec. 727. Outsourcing the Medical Marihuana Program

Requires DCH to establish and implement a bid process to identify a private or public contractor to provide management of the Medical Marihuana Program by October 1, 2010, if authorized by law. Requires DCH to transfer responsibility for management of the program to the contractor identified by the bid process by April 1, 2011, if authorized by law.

Sec. 729. Obstetrical and Gynecological Services Shortage

Requires the Department to identify counties in which there are an insufficient number of health professionals providing obstetrical and gynecological services and identify policy or fiscal, or both, measures considered necessary to address the shortage. Requires the Department to submit a report of its findings by December 1, 2010.

Sec. 730. Outpatient End-Stage Renal Disease Facility

Requires DCH to ensure that any Medicare certification survey authorized by the Centers for Medicare and Medicaid Services for the expansion of, or the operation of, a new outpatient end-stage renal disease facility to be conducted within 120 days after that authorization as allowed by federal rules, regulations, and instructions.

INFECTIOUS DISEASE CONTROL

Sec. 801. Priority for Adolescents for AIDS Prevention Services

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

Sec. 803. AIDS Drug Assistance Program

Directs DCH to continue AIDS Drug Assistance Program maintaining prior year eligibility criteria and drug formulary, but does not prohibit DCH from providing assistance for improved AIDS treatment medications. Allows DCH to revise criteria and formulary, consistent with federal program guidelines, if appropriation is insufficient to maintain the prior year criteria and formulary.

Sec. 804. HIV and Hepatitis C Cooperative Program with Department of Corrections

Directs DCH to cooperate with Department of Corrections to share data and information regarding prisoners being released who test positive for HIV or Hepatitis C, related to the Michigan prisoner reentry initiative.

LABORATORY SERVICES

Sec. 840. Upper Peninsula Laboratory Services

Directs DCH to allocate \$250,000 for continuation of Upper Peninsula public health laboratory operations and services.

EPIDEMIOLOGY

Sec. 851. Lead Abatement Program Report

Directs DCH to report annually on the expenditures and activities of the lead abatement program.

LOCAL HEALTH ADMINISTRATION AND GRANTS

Sec. 901. Reimbursement of Local Costs Related to Informed Consent Law

Directs DCH to reimburse local health departments for costs incurred for services provided in accordance with the Informed Consent Law.

Sec. 902. Dissolution of Multi-County Local Health Department Penalty, and Consolidation Incentives Study

Provides authority for DCH to assess a penalty on a county of up to 6.25% of the county health department's essential local public health services funding if that county ceases to be part of a district health department or multi-county local health department. Directs DCH to explore enhanced funding to local public health departments that have consolidated.

Sec. 904. Essential Local Public Health Services

Directs that essential local public health services line item funds shall be prospectively allocated to local public health departments to support costs for nine state and local cost-shared services. Certain of these services shall be provided in consultation with Department of Agriculture and Department of Natural Resources and Environment. Local public health departments shall be held to contractual standards for these services. Local eligibility is contingent upon local spending of at least the amount expended in FY 1992-93 for these services. Requires DCH to report on planned allocations of essential local public health services line item funds by April 1.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1006. Priority for Smoking Prevention Funding and Allocation for Quit Kits

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.

Sec. 1007. Violence Prevention Program

Allows violence prevention line item funds to be used for programs aimed at preventing spouse, partner, or child abuse and rape; directs DCH to give equal consideration to public and private nonprofit grant applicants.

Sec. 1008. Diabetes Management Pilot Project in Muskegon County

Permits allocation of up to \$25,000 for a diabetes management pilot project in Muskegon County from the diabetes and kidney program appropriation line item.

Sec. 1009. National Kidney Foundation of Michigan Funding

Permits allocation of funds from the diabetes and kidney program line item to the National Kidney Foundation of Michigan for kidney disease prevention programs.

Sec. 1019. Stroke Prevention Funding

Allows DCH to allocate up to \$50,000 for stroke prevention, education, and outreach from the chronic disease control and health promotion administration line item. Program education objectives are outlined.

Sec. 1028. African-American Male Health Initiative Funding

Allows DCH to appropriate funds for the African-American Male Health Initiative if Healthy Michigan funds or federal Preventive Health and Health Services Block Grant funds are available.

Sec. 1031. Pilot Programs for Traumatic Brain Injury Treatment Guideline Model

Appropriates \$200,000 of injury control intervention project line item funds to continue two pilot programs for trauma hospitals to encourage utilization of an interactive, evidence-based treatment guideline model for traumatic brain injury, one in a county with a population of less than 225,000 persons and one in a county with a population over 1,000,000.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1101. Reallocation of Funds for Certain Programs in Cases of Underexpenditures

Requires DCH to review the basis for the distribution of funds to local health departments and other agencies from the family planning, prenatal care, and WIC programs, and indicate the basis on which any projected underexpended funds are to be reallocated to other local agencies that demonstrate need.

Sec. 1104. Department Report Regarding Certain Pregnancy Planning and Prenatal Programs

Requires DCH to report by April 1 on funding allocations, breakdown of expenditures by urban and rural, and prior fiscal year service and expenditure data for the local maternal and child health, prenatal care, family planning, and pregnancy prevention programs. DCH must ensure that needs of rural communities are considered in distribution of funds for these programs. Defines "rural" entity as having a population of 30,000 or less.

Sec. 1105. Contract with Local Agencies Best Able to Serve Clients

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. 1106. Family Planning Federal Title X Funding Compliance

Requires family planning programs receiving federal Title X funds to be in compliance with federal performance and quality assurance indicators; agencies not in compliance shall not receive supplemental or reallocated funds.

Sec. 1108. Restrictions on Use of Pregnancy Prevention Funding

Prohibits pregnancy prevention program appropriation line item funds from being used for abortion counseling, referrals, or services.

Sec. 1109. Volunteer Dental Services Program for the Uninsured

Allocates funds from dental program line item to the Michigan Dental Association to administer a volunteer program of dental services to the uninsured; and requires a report by December 1 on services provided in the prior fiscal year.

Sec. 1110. Designation of Delegate Agencies for Family Planning and Pregnancy Prevention Funds

Provides that agencies currently receiving pregnancy prevention and family planning line item funds shall have the option of receiving those funds directly from DCH and be designated as delegate agencies.

Sec. 1111. Allocation of Funds for Direct Services for Family Planning and Pregnancy Prevention

Directs DCH to allocate no less than 88% of family planning and pregnancy prevention line item funds for the direct provision of services.

Sec. 1112. Allocation for Communities with High Infant Mortality Rates – VETOED

Requires that DCH allocate up to \$1,000,000 to communities with high infant mortality rates from the prenatal care outreach and service delivery support line item funds.

Sec. 1117. Stillbirth Awareness

DCH may pursue efforts to reduce the incidence of stillbirth if federal or state funds are available, including awareness, education, and standardization of data collection and definitions. Directs DCH to seek grant funds. Allocates \$50,000 to support a counting fetal kicks awareness program and materials for expectant parents and maternal health care providers.

Sec. 1129. Report of Elevated Blood Lead Levels in Children

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.

Sec. 1133. Infant Mortality Data Release

Requires DCH to release infant mortality rate data to all local public health departments 72 hours or more prior to releasing infant mortality rate data to the public.

Sec. 1135. School Health Education Curriculum

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.

Sec. 1137. Alzheimer's Disease Patient Care Training Funding

Allows DCH to allocate up to \$100 of special projects appropriation line item funds to support an Alzheimer's disease patient care training program involving a community college and a retirement community.

Sec. 1138. Ele's Place Funding

Requires DCH to allocate up to \$100 of special projects appropriation line item funds to the Ele's Place organization.

Sec. 1139. Nurse Family Partnership Funding – VETOED

Requires DCH to fund the nurse family partnership program from the prenatal care outreach and service delivery support appropriation line item.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1151. Farmer's Market Nutrition Program Local Contributions

Allows DCH to work with local participating agencies to define local annual contributions for the Farmer's Market Nutrition Program, Project FRESH, to enable DCH to determine local commitment of funds for federal match request.

Sec. 1153. WIC Program Access in Rural Communities

Requires DCH to ensure that individuals residing in rural communities have sufficient access to the services offered through the Women, Infants, and Children Food and Nutrition Program, and requires a report on efforts to increase access in rural areas.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1201. Medical Care and Treatment Reimbursement Policies

Requires payments for medical care and treatment be made consistent with reimbursement policies of Michigan medical services administration.

Sec. 1202. Children's Special Health Care Services Coverage

Allows the Children's Special Health Care Services program to provide special formula for persons with certain metabolic and allergic disorders, treatment to persons age 21 or older with cystic fibrosis, and services to persons age 21 or older with hemophilia.

Sec. 1203. Referrals to Locally-Based Services Programs

Requires that DCH refer clients of the program to the locally-based services program in their community.

Sec. 1204. CSHCS and Medicaid HMOs

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.

Sec. 1205. Conditional CSHCS Eligibility

Requires the Department to request that families complete a Healthy Kids application if the Department determines that a CSHCS enrollee is likely to qualify for Medicaid or MICHild coverage. If the application is not completed within 3 months of the Department's request the enrollee will be ineligible for participation in the CSHCS program.

CRIME VICTIM SERVICES COMMISSION BOILERPLATE

Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs

Allocates up to \$200,000 of justice assistance grants line item funds for expansion of 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.

Sec. 1304. Sexual Assault Evidence Collection Procedures

Requires DCH to work with Department of State Police and certain statewide organizations to ensure that recommended standard procedures for emergency treatment of sexual assault victims are followed in the collection of evidence in cases of sexual assault.

OFFICE OF SERVICES TO THE AGING BOILERPLATE

Sec. 1401. Eligibility for Senior Community Services and Nutrition Services Programs

Eligibility for services funded by the community services and nutrition services appropriation line items 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. 1403. Home-Delivered Meals Waiting Lists

Requires area agency on aging regions to report home-delivered meals waiting lists to Office of Services to the Aging and to the Legislature; establishes standard criteria for persons included on the waiting list, including an initial determination of likely eligibility.

Sec. 1404. Authorization for Fees for Senior Care and Certain Services

Allows area agencies on aging and local providers to receive and expend fees for the provision of day care, care management, respite care, and certain eligible home- and community-based services. Fees shall be based on a sliding scale, taking client income into consideration, and shall be used to maintain and/or expand services.

Sec. 1406. Use of Respite Care Tobacco Settlement Funds for Direct Care

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. Not more than 9% of the allocation shall be expended for administrative purposes.

Sec. 1413. Area Agency on Aging Membership Change

Establishes notice and conditions for local change of membership of area agencies on aging in a region; and requires Office of Services to the Aging to adjust allocations for any changes in county membership.

Sec. 1417. Reporting of Area Agency on Aging Allocations and Expenditures

Requires DCH to report by March 30 on allocations of state resources to each area agency on aging by program and administration, and detail of expenditures by each area agency on aging of all state and local funds by program and administration.

Sec. 1418. Maximization of Funding for Home-Delivered Meals

DCH shall maximize funding for home-delivered meals to the extent allowable under federal law and regulation.

MEDICAL SERVICES BOILERPLATE

Sec. 1601. Remedial Services Costs and Medicaid Eligibility

Requires remedial service costs to be used in determining medically-needy eligibility for those in adult foster care and homes for the aged.

Sec. 1602. Medicaid Eligibility for the Elderly and Disabled

Provides Medicaid eligibility to low income elderly and disabled persons up to 100% of the poverty level.

Sec. 1603. Medical Services Buy-In Program

Allows DCH to establish a statewide program for persons to purchase medical coverage at a rate determined by DCH.

Sec. 1604. Medicaid Eligibility During Incarceration or Detention

Requires a Medicaid recipient to remain eligible for medical assistance during a period of incarceration or detention and limits the Medicaid coverage to off-site inpatient hospitalization.

Sec. 1605. Medicaid Protected Income Level

Establishes the Medicaid protected income level at 100% of the public assistance standard, and requires 90-day notice prior to implementation of changes in the protected income level.

Sec. 1606. Medicaid Eligibility Deduction for Guardian and Conservator Charges

Limits the allowable deduction for guardian and conservator charges to \$60 per month when determining Medicaid eligibility and patient pay amounts.

Sec. 1607. Medicaid Presumptive Eligibility for Pregnant Women

Stipulates that Medicaid applicants whose qualifying condition is pregnancy shall be presumed to be eligible unless the preponderance of evidence in the application indicates otherwise. Sets procedures to facilitate access to health care for pregnant women including provision of an authorization letter, a listing of Medicaid physicians and health plans, referral to public health clinics for ineligible persons, and allowing qualified applicants to select or remain with the participating obstetrician of her choice. Specifies that obstetrical and prenatal care claims are to be paid at Medicaid fee-for-service rates if there is no contract between provider and managed care plan. Mandates enrollment of Medicaid eligible pregnant women into Medicaid HMOs and requires DCH to encourage physicians to provide these women a referral to a Medicaid participating dentist at the first pregnancy-related appointment.

Sec. 1610. Provider Cost Report Grievance Procedure

Requires that DCH provide a cost report grievance process for medical providers and payment within nine months following submission of cost reports.

Sec. 1611. Medicaid Payment in Full Provisions

Requires Medicaid payment rate to be accepted as payment in full, including payments from other third-party sources. Hospital services payments for persons dually eligible for Medicare and Medicaid are to include capital payments in determining Medicaid reimbursement amount.

Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Copayments

Establishes the pharmacy dispensing fee at \$2.75 for recipients not in nursing homes and \$3.00 for nursing home residents, or the pharmacy's usual and customary charge, whichever is less. Specifies prescription copayments for Medicaid recipients of \$1.00 for generic drugs and \$3.00 for brand-name drugs except as prohibited by federal or state law or regulation. States legislative intent that if DCH realizes savings resulting from the way Medicaid pays pharmacists for prescriptions from average wholesale price to average manufacturer price, the savings shall be returned to pharmacies as an increase in the dispensing fee of no more than \$2.00.

Sec. 1621. Drug Utilization Review and Disease Management

Authorizes drug utilization review and disease management systems with physician oversight and consultation with various medical provider groups.

Sec. 1623. Dispensing of Maintenance Drugs

Continues current Medicaid policy that allows for dispensing a 100-day supply for maintenance drugs, and notice to medical providers regarding this policy. Requires dispensing medication in quantity prescribed unless subsequent consultation with the physician indicates otherwise.

Sec. 1627. Drug Rebates for the MICHild, MOMS and CSHCS Programs

Authorizes DCH to secure manufacturer drug rebates for participants in MICHild, MOMS, and Children's Special Health Care Services (CSHCS) programs that are equivalent to Medicaid rebates, and allows for preauthorization of drugs if rebates are not provided.

Sec. 1629. Maximum Allowable Cost (MAC) Drug Pricing

Requires DCH to base its MAC prices for generic drugs on pricing available from at least two wholesalers who deliver in Michigan.

Sec. 1630. Medicaid Podiatric and Dental Services

Continues podiatric and adult dental services at not less than the level in effect on October 1, 2002.

Sec. 1631. Medical Services Copayments

Requires copayments on dental, podiatric, and vision services unless prohibited by law or regulation. Specifies copayments of \$2 for a physician office visit, \$3 for a hospital emergency room visit, \$50 for the first day of an in-patient hospital stay, and \$1 for an out-patient hospital visit.

Sec. 1633. Healthy Kids Dental Coverage

Requires DCH to report on the feasibility of providing Healthy Kids dental coverage in cities rather than entire counties.

Sec. 1635. Continuation of Medicaid Obstetrical Rate Increase

Requires continuation of the FY 2005-06 allocation between Physician Services and Health Plan Services appropriation lines for the increase of Medicaid reimbursement rates for obstetrical services.

Sec. 1636. Continuation of Medicaid Physician Well Child and Primary Care Procedures Rate Increase

Requires continuation of allocations provided in FY 2006-07 and FY 2008-09 between Physician Services and Health Plan Services appropriation lines for an increase in Medicaid reimbursement rates for physician well child procedure codes and primary care procedure codes.

Sec. 1637. Personal Health Responsibility Agreement

Requires that all Medicaid recipients be offered the opportunity to sign a Medicaid personal responsibility agreement which contains various provisions regarding healthy behaviors.

Sec. 1641. Institutional Provider Costs Reports

Requires institutional providers to submit their cost reports within five months of the end of the fiscal year.

Sec. 1642. Ambulatory Surgery Centers

Requires DCH to allow ambulatory surgery centers in the state to fully participate in the Medicaid program.

Sec. 1643. Psychiatric Residency Training Program

Allocates \$12,585,400 from graduate medical education funds for a psychiatric residency training program if the universities involved provide the necessary allowable Medicaid matching funds.

Sec. 1647. Continuation of Graduate Medical Education Payments

Requires graduate medical education payments to hospitals at no less than the level of rates and payments in effect on April 1, 2005.

Sec. 1648. Automated Toll-Free Phone Line and Online Eligibility Verification

Directs DCH to maintain and make available an online resource for medical providers to obtain enrollment and benefit information of Medicaid recipients.

Sec. 1649. Breast and Cervical Cancer Treatment Coverage

Directs DCH to establish breast and cervical cancer treatment coverage for uninsured women under age 65 and with incomes below 250% of the poverty level, pursuant to federal legislation.

Sec. 1650. Mandatory Managed Care Enrollment Requirement

Authorizes continuation of Medicaid managed care and assignment of recipients who do not select a provider. Requires notice of exception criteria to enrollment, the right to change plans, and complaint/grievance procedures. Specifies criteria for medical exceptions to mandatory managed care enrollment.

Sec. 1651. Hospice Services Under Medicaid Managed Care

Allows access to hospice services for Medicaid patients enrolled in health maintenance organizations.

Sec. 1652. Health Plan Service Area Expansion

Requires that any new or renegotiated Medicaid health plan contracts shall include the following conditions regarding service area expansion: 1) not sell or transfer any portion of the HMO's assets or business for a period of three years, and 2) the HMO that expands into a county with a population of at least 1,500,000 shall also expand its coverage to a county with a population of less than 100,000 which has one or fewer HMOs participating in the Medicaid program.

Sec. 1653. Conditions for Implementation of Medicaid Managed Care Plans

Establishes conditions for implementing Medicaid managed care plans related to continuity of care, submitting HMO data for evaluation, health plan advisory council, and choice of plans; and prohibits mandatory enrollment in non-metropolitan

areas with only one HMO unless there is a choice of two or more physicians. Maintains voluntary HMO enrollment for Children's Special Health Care Services and the requirement to inform of the opportunity for HMO enrollment, and requires a budget neutral case rate adjustment for persons with AIDS and other high-cost conditions. Requires that DCH receive assurances from Office of Financial and Insurance Services that new Medicaid HMOs meet net worth and solvency standards prior to contracting with them.

Sec. 1654. Reimbursement for HMO Covered Services

Requires Medicaid HMOs to pay for services by non-HMO providers if medically necessary, approved by the HMO, immediately required, and cannot be obtained through HMO providers on a timely basis. Services are considered approved if the authorization request is not responded to within 24 hours.

Sec. 1655. Twelve-Month Lock-In for HMO Enrollment

Allows for a 12-month lock-in to HMOs with good cause exceptions and allows recipients to change HMOs for any reason within the first 90 days.

Sec. 1656. HMO Expedited Complaint Review Procedures

Requires expedited grievance procedure for Medicaid recipients enrolled in qualified health plans and a toll free phone number to help resolve problems and complaints.

Sec. 1657. HMO Reimbursement for Hospital ER Service, and Medicaid ER Financial Incentives

Requires reimbursement for emergency room (ER) services to screen and stabilize a patient without prior authorization by an HMO, and notice to the HMO regarding a patient's diagnosis and treatment within 24 hours of discharge; prior authorization by the HMO is required for further services beyond stabilization.

Sec. 1658. HMO Contracts with Hospitals

Requires that HMOs shall have contracts with local hospitals; requires reimbursement to non-contracted hospitals at Medicaid fee-for-service rates; requires hospitals that do not contract with HMOs in their service area enter into a hospital access agreement as specified in a MSA policy bulletin.

Sec. 1659. Applicable Boilerplate Sections for Medicaid Managed Care

Specifies the Medical Services boilerplate sections that apply to Medicaid managed care programs.

Sec. 1660. Access to Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Services

Requires timely access to EPSDT services for children enrolled in Medicaid managed care programs; specifies primary care provider's responsibility to assure child's vision/hearing screening; requires local health departments provide preschool vision/hearing screenings and accept referrals; prohibits HMOs from requiring prior authorization of contracted providers for any EPSDT screening and diagnosis services; requires DCH to provide budget neutral incentives to improve performance related to care of children and pregnant women.

Sec. 1661. Access to Maternal Infant Health Program (MIHP) Services

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. 1662. Review and Analysis of HMO Performance, EPSDT and MIHP Technical Assistance

Directs DCH to assure that an external quality review of each HMO is performed resulting in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services either contracted or directly provided to Medicaid beneficiaries; requires Medicaid HMOs to provide EPSDT utilization data and well child health measures; directs DCH to submit copies of analysis of HMO HEDIS reports and annual external quality review report within 30 days; requires DCH to work with Michigan Association of Health Plans and Michigan Association for Local Public Health to improve EPSDT and MIHP services and assure training/technical assistance are available for EPSDT and MIHP.

Sec. 1670. MICHild Program Eligibility

Specifies that funds appropriated for MICHild program are to be used to provide health care to children under age 19 in families with income below 200% of federal poverty level who have not had health insurance within six months of making application for MICHild benefits. Allows DCH to provide up to one year of continuous eligibility for MICHild program unless family members no longer meet eligibility criteria or family fails to pay the monthly premium. Assures continuity of care for persons whose category of MICHild eligibility changes due to family income. Specifies income level and verification requirements to determine MICHild program eligibility. Requires DCH to contract with any qualified HMO, dental care corporation, health care corporation or other entity which offers to provide MICHild health care benefit at the capitated rate. Allows DCH to obtain certain MICHild services contractually through community mental health agencies. Requires DCH to assure that an external quality review of each MICHild services contractor is performed, which analyzes quality, timeliness,

and access to health care services provided by the contractor to MIChild beneficiaries. Requires DCH to develop automatic enrollment algorithm based on quality and performance factors.

Sec. 1671. MIChild Marketing and Outreach

Directs DCH to continue a comprehensive approach to marketing and outreach of the MIChild program, and to coordinate such efforts with existing DCH outreach and marketing activities.

Sec. 1673. MIChild Premiums and Prohibition on MIChild Copayments

Allows DCH to establish premiums for eligible persons above 150% of poverty level of \$10 to \$15 per month for a family.

Sec. 1677. MIChild Benefits

Specifies the benefits to be covered by the MIChild program based on the state employee insurance plan.

Sec. 1678. MIChild and National School Lunch Act Eligibility

Requires DCH to explore the cost to implement automatic enrollment of a child in the MIChild program if the child meets the income criteria for free breakfast, lunch or milk under the National School Lunch Act.

Sec. 1679. MIChild Mental Health Rate Redetermination

Requires the Department to redetermine MIChild program mental health rates based on the most recent encounter data and to pay the CMHSPs rates sufficient to cover costs of MIChild mental health service provision.

Sec. 1680. Nursing Home Wage Pass-Through

Requires that previous payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through Medicaid nursing home wage pass-through program be continued.

Sec. 1681. Home and Community-Based Services

Requires that DCH and local waiver agents encourage the use of family members, friends, and neighbors to provide non-medical home- and community-based services, where appropriate.

Sec. 1682. OBRA Nursing Home Enforcement Provisions

Authorizes DCH to implement federal nursing home enforcement provisions and receive/expend noncompliance penalty money; to provide funds to the Disability Network of Michigan to be distributed to 15 Centers for Independent Living for the purpose of assisting individuals with disabilities who reside in nursing homes to return to their homes; and to conduct a

survey of residents, their families and employees, evaluating nursing home consumer satisfaction and quality of care. Unexpended penalty money may be carried forward to the next fiscal year.

Sec. 1683. Dignity and Rights of Terminally Ill and Chronically Ill Patients

Directs DCH to promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals, including hospice care, pain management, and suicide prevention.

Sec. 1684. Home- and Community-Based Services (HCBS) Waiver Costs

Requires report that identifies by waiver agent Medicaid HCBS waiver costs by administration, case management, and direct services.

Sec. 1685. Prospective Setting of Medicaid Nursing Home Payment Rates

Requires that Medicaid nursing home payment rates be set 30 days in advance of the facility's fiscal year, and be based on the most recent cost report submitted.

Sec. 1687. Health Insurance for Direct Care Workers

Requires DCH to study the feasibility, impact, and cost of supporting a Medicaid rate enhancement to be used exclusively to fund health care insurance for direct care workers in nursing homes, adult foster care homes, homes for the aged and home- and community-based services programs if the Patient Protection and Affordable Care Act (Health Care Reform) is repealed or overturned.

Sec. 1688. Personal Care Services Reimbursement Rate

Prohibits a limit on personal care services reimbursement under the Medicaid Home- and Community-Based Services program, but allows DCH to maintain aggregate per day client reimbursement cap for all services provided under the waiver program.

Sec. 1689. Home- and Community-Based Services (HCBS) Waiver

Gives priority in HCBS enrollment to nursing home residents and those eligible for nursing homes, and requires screening to prevent unnecessary nursing home admissions. Requires an annual report on HCBS allocations and expenditures by region, net cost savings by moving individuals from nursing home to the HCBS program, number of individuals transitioned and on HCBS waiting lists by region, amount of funds transferred during the year, and number of persons served and days of care for the HCBS program and in nursing homes. Requires DCH to develop system to collect and analyze information on persons on HCBS waiting list to identify community support and assistance they receive and the extent to which these

supports help individuals to avoid entry into a nursing home. Requires the maintaining of policies and regulations in order to limit the self-determination option within HCBS program to services furnished by approved home-based services providers meeting waiver qualifications.

Sec. 1690. MIChoice and Adult Home Help Quality Assurance Indicators, Improvement Plans, and Incidents

Directs DCH to submit a report on the adult home help and MIChoice program quality assurance indicators, quality improvement plans, and critical incidents and their resolutions.

Sec. 1691. Adult Home Help Worker Wage Increase

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

Sec. 1692. Medicaid School-Based Services

Provides authorization for Medicaid reimbursement of school-based services.

Sec. 1693. Special Medicaid Reimbursement Payments Increase

Allows for an increase in Special Medicaid Reimbursement payments if a Medicaid state plan amendment for such payments above the appropriated level is submitted, and that DCH ensures that all public entities are aware of the existence of special Medicaid reimbursement programs.

Sec. 1694. Allocation to Children's Hospitals

Authorizes distribution of \$1,122,300 to an academic health care system that includes a children's hospital with high indigent care volume.

Sec. 1697. Local Match Funds for School-Based or School-Linked Services

Allows DCH to utilize school district funds received from a health system as state match for federal Medicaid or State Children's Health Insurance Program funds to be used for new school-based or school-linked services.

Sec. 1699. Disproportionate Share Hospital (DSH) and Graduate Medical Education (GME) Payments

Authorizes separate payments for hospitals serving a disproportionate share of indigent patients in the amount of \$52.5 million, and those hospitals providing GME training programs. Directs DCH to create two pools for distribution of DSH funds: first pool would distribute \$45.0 million based on methodology in FY 2003-04, remaining \$7.5 million would be allocated to unaffiliated hospitals that received less than \$900,000 in DSH payments in FY 2007-08 based on each

hospital's Medicaid revenue and utilization, with no payments being made less than \$1,000. A distribution report is due by September 30 of the current fiscal year.

Sec. 1711. Medicaid Two-Tier Case Rate for Emergency Services and Emergency Room Observation Rate

Requires continuation of a two-tier Medicaid case rate for emergency physician charges that was in effect on September 30, 2002.

Sec. 1712. Rural Health Initiative

Subject to availability of funds, requires DCH to implement a rural health initiative with funds to be first allocated to a rural outpatient hospital adjustor, and remaining funds for defibrillator grants, EMT training, or other similar programs.

Sec. 1718. Adult Home Help Review Process

Authorizes Medicaid adult home help beneficiaries to request a departmental review of any decisions that may adversely affect their access to home help services.

Sec. 1724. Injectable Drugs for Respiratory Syncytial Virus

Directs DCH to allow pharmacies to purchase injectable drugs for treatment of respiratory syncytial virus for shipment to physician's offices; allows Medicaid reimbursement for dispensing and administration if patients are eligible.

Sec. 1731. Medicaid Asset Test

Directs DCH to continue Medicaid eligibility asset test for parents, caretaker relatives, and 19 and 20 year olds who are not required to be covered under federal Medicaid requirements.

Sec. 1732. Nursing Home QAAP Modification Assurance

Assures that nursing home reimbursement rates will not be reduced to achieve GF/GP savings if proposed modifications to the quality assurance assessment program for nursing homes are not implemented.

Sec. 1734. Medicaid Recipients Healthy Behavior Incentive Program

Requires DCH to seek federal funds for demonstration programs that will permit Michigan to provide financial incentives for positive health behavior practiced by Medicaid recipients.

Sec. 1739. Health Plan Contractor Performance Bonus Program

Directs DCH to continue the contractor performance bonus program for Medicaid health plans. Program may include indicators based on prevalent and chronic conditions affecting the Medicaid population, and indicators of preventative health status for adults and children.

Sec. 1740. Graduate Medical Education Funds Distribution

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. 1741. Nursing Home Interim Payments

Directs DCH to continue to provide nursing homes the opportunity to receive interim payments upon their request and that these payments are as similar to expected cost-settled payments as possible.

Sec. 1752. Sharing of Third Party Liability Information With Health Plans

Requires DCH to provide Medicaid health plans with any information that may assist the health plan in determining whether another party may be responsible for the payment of health care benefits.

Sec. 1756. Medical Management of High Cost Medicaid Beneficiaries

Directs DCH to establish and implement a specialized case and care management program to serve the most costly Medicaid beneficiaries who are not enrolled in a health plan and are noncompliant with medical management. The program shall provide a performance payment incentive for physicians and may include contractual arrangements with Medicaid HMOs for the provision of specialized case management services. The contracts may require collection of data related to Medicaid recipient compliance.

Sec. 1757. Medicaid Applicants, Legal Residence, and Fugitive Felon Status

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

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. 1767. Pharmacist Payment Report

Requires DCH to evaluate and report on the impact of the change in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price, contingent upon the release of relevant data from the Center for Medicare and Medicaid Services.

Sec. 1770. Quarterly Medicaid Policy Changes

Specifies that DCH shall attempt to make adjustments to the Medicaid provider manual and effective dates for proposed Medicaid policy bulletins on October 1, January 1, April 1, or July 1 after the end of the consultation period.

Sec. 1772. Enrollment of Foster Care Children in HMOs

Requires DCH to continue a program which would enroll all foster care children in Michigan into a Medicaid HMO.

Sec. 1773. Nonemergency Transportation Services

Directs DCH to establish and implement a bid process to identify a single private contractor to provide Medicaid covered nonemergency transportation services in each county with a population over 750,000, and provide a mileage reimbursement that encourages contractors to participate.

Sec. 1775. Long-Term Managed Care Pilot Programs

Requires DCH to provide progress report on ongoing efforts to implement long-term managed care initiatives.

Sec. 1777. Nursing Home Dining Assistants

Directs DCH to permit nursing homes to use dining assistants to feed eligible residents, in accordance with federal and state law. DCH will not be responsible for training costs.

Sec. 1783. Dual-Eligibles In Managed Care

Directs DCH to develop rates by April 1 for enrollment of dual eligibles into Medicaid health plans if those health plans also maintain a Medicare Advantage special needs plan certified by CMS. Requires quarterly reports on status of rate development and the number of dual eligibles enrolled by month in Medicaid health plans.

Sec. 1786. Low-Day Thresholds for Hospitals

Requires the Department to convene a workgroup to consider reimbursement changes for hospital admissions of less than 24 hours. Any changes adopted by the Department must be budget neutral.

Sec. 1787. Medicaid Beneficiary Telephone Numbers Provided to Health Plans

Requires DCH's managed care enrollment broker to maintain telephone numbers of Medicaid beneficiaries and provide Medicaid health plans the telephone numbers of that health plan's enrollees on a monthly basis.

Sec. 1802. Disease Management Pilot Project Targeting Medicaid Beneficiaries

Allows DCH to spend up to \$100,000 on a pilot program which would target Medicaid recipients who have certain high-cost or complex health conditions. The pilot would include financial incentives to primary care physicians who handle the disease management responsibilities.

Sec. 1804. Identification of Medicaid Beneficiaries Who Are War Veterans

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. 1812. Regional Healthcare Resource Sharing Network

Allocates up to \$100 to support a pilot project to develop a regional healthcare resource sharing network to encourage collaboration between local hospitals through sharing of best practices and resources. Pilot region to include 22 counties and 10 hospitals.

Sec. 1815. Cap on Health Plan Capitation Withhold

Prohibits DCH from implementing a capitation withhold as part of overall health plan capitation rate schedule that exceeds the 0.19% withhold administered during FY 2008-09.

Sec. 1816. Use of Information Technology in Claims Processing

Requires DCH to work with Michigan Association of Health Plans to develop and implement strategies for the use of information technology services for claims payment, claims status, and related functions.

Sec. 1817. Medicaid and Preventable Medical Errors

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. 1819. Health Plan Encounter Data and Hospital DRG Pricing Policy

Requires DCH to use encounter data from health plans in the development and revision of hospital diagnosis related group (DRG) pricing policy.

Sec. 1820. Accrediting Organizations for Medicaid Health Plans

Requires DCH to recognize accrediting organizations for Medicaid health plans and consider accreditation results when reviewing the performance of Medicaid health plans.

Sec. 1821. Performance Standards for Medicaid Health Plans

Requires DCH to establish appropriate performance standards for Medicaid health plans at least 6 months in advance of the application of those standards. Determination of performance shall include recognized concepts such as one-year continuous enrollment and HEDIS audited data.

Sec. 1822. Coverage for Mental Health Prescription Drugs

Directs DCH, the DCH contracted pharmacy benefits manager, and Medicaid health plans to implement coverage for a mental health prescription drug within 30 days of that drug's approval by the DCH Pharmacy and Therapeutics Committee.

Sec. 1824. Residents of Homes for the Aged and Adult Foster Care and HCBS Program

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. 1826. Expansion and Improvement of Beneficiary Monitoring Program

Requires DCH to develop a plan to expand and improve the beneficiary monitoring program to reduce unnecessary health care services, improve coordination of services, and improve compliance with prescribed medical management.

Sec. 1829. Coverage for Emergency Services

Directs DCH to continue its policy of providing coverage for emergency services notwithstanding the elimination of coverage for certain optional Medicaid services for adults.

Sec. 1832. Form Standardization, E-Billing and Rejected Claims

Requires DCH to continue efforts to standardize forms, formats and documents, and the reporting of accepted and rejected encounter records received in the data warehouse. DCH shall convene a workgroup on making e-billing

mandatory and a report will be provided to the Legislature by April 1. Also by April 1, DCH shall provide a report detailing the percentage of Medicaid reimbursement claims that were initially rejected in the first quarter of FY 2010-11.

Sec. 1834. Home- and Community-Based Services Waiver Eligibility for Managed Care Dual Eligibles

Requires that individuals eligible for both Medicaid and Medicare who are enrolled in a Medicare Advantage special needs plan shall be eligible for services provided through the home- and community-based services waiver program.

Sec. 1835. HMO Encounter Data

Requires DCH to develop and implement processes to report rejected and accepted encounters to Medicaid health plans and permit the health plans to report additional medical records data obtained during audits to the encounter warehouse.

Sec. 1836. Coverage for Certain Optical Services

Requires DCH to expand adult Medicaid optical coverage to medically necessary optical devices and other treatment services when conventional treatments do not provide functional vision correction.

Sec. 1837. Telemedicine Use in Underserved Areas

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

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.

Sec. 1839. Expansion of Adult Benefits Waiver Coverage for Adults With Serious Mental Illness

Requires that DCH work with relevant parties to explore the feasibility of seeking a modification to the Adult Benefits Waiver to expand physical and mental health coverage to childless adults with serious mental illness. An update of the findings will be presented at respective Executive budget subcommittee presentations to the Legislature.

Sec. 1841. Health Care Reform Fiscal Impact

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.

Sec. 1842. Hospital Outpatient Medicaid Rate Adjustment

Requires the Department, subject to the availability of funds and the hospital qualifying, to adjust outpatient Medicaid reimbursement rates to be the actual cost of delivering outpatient services to that hospital's Medicaid recipients. The term qualifying hospital is defined.

Sec. 1843. Wellness Therapies

Requires that DCH explore the possibility of Medicaid reimbursement for wellness therapies that would lower the State's costs for physical therapy. Defines wellness therapies.

Sec. 1844. Health Information Technology Contract Bidding

As permitted by law, requires that DCH give preference during the bid process for health information technology contracts supported by ARRA funds to vendors established in this state.

Sec. 1846. One-Time Disproportionate Share Hospital (DSH) Payment Pool

Contingent upon federal approval, requires that DCH create a one-time \$27.0 million DSH outpatient uncompensated care pool increase.

FY 2009-10 SUPPLEMENTAL ACTIONS

PUBLIC ACT 92 of 2010 SUPPLEMENTAL APPROPRIATIONS

Sec. 251. State Health Information Exchange

Requires the Department to provide a spending plan to the Legislature for the appropriations for the State Health Information Exchange.

PUBLIC ACT 142 of 2010 SUPPLEMENTAL APPROPRIATIONS

Sec. 501. Audit Findings - GOVERNOR DIRECTS NOT TO IMPLEMENT

Requires the Department to hire an independent contractor to immediately implement corrective actions related to recent Auditor General findings; states that \$5.0 million GF/GP is to be identified from the administration and management line item to pay for the services. **NOTE: The Governor in her veto letter indicated that she is directing Enrolled Senate Bill 797 be implemented without regard to Section 501.**

PUBLIC ACT 193 of 2010 SUPPLEMENTAL APPROPRIATIONS

Sec. 351. Substance Abuse Prevention, Education and Treatment

Restores the relevant sections of Section 407 of Public Act 131 of 2009 (House Bill 4436), not including subsections (5), (6), and (7). See Sec. 1001 repealer summary below for more detail.

Sec. 1001. Repealer - Sec. 407 - Substance Abuse Prevention, Education and Treatment

Repeals Section 407 of Public Act 131 of 2009 (House Bill 4436) which was included in error. Subsection (7) of this section would have deemed Prepaid Inpatient Health Plans (PIHPs) as the only entity being eligible for the reimbursement of funds appropriated for substance abuse coordinating agencies effective April 1, 2010. However, this provision was not consistent with funding decisions. Subsections (5) and (6) of the section were vetoed.

Sec. 1001. Repealer - Sec. 1630 - Medicaid Optional Services

Repeals Section 1630 of Public Act 131 of 2009 (House Bill 4436) which was included in error. The section requires that coverage for certain Medicaid optional services be continued at not less than the levels in effect on October 1, 2002 with certain exceptions. Actual funding for these services, however, was eliminated in E.O. 2009-22, and the savings from these eliminations were retained by the Legislature in the FY 2009-10 DCH budget act.