

FY 2019-20: DEPARTMENT OF HEALTH AND HUMAN SERVICES

Summary: As Reported by House Subcommittee House Bill 4235 (H-2)



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	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: House From FY 2018-19 YTD	
						Amount	%
IDG/IDT	\$13,813,700	\$13,857,600	\$13,424,900			(\$388,800)	(2.8)
Federal	18,016,041,200	18,221,270,400	18,029,819,500			13,778,300	0.1
Local	121,612,600	155,806,100	155,232,700			33,620,100	27.6
Private	152,409,900	143,535,100	137,071,200			(15,338,700)	(10.1)
Restricted	2,758,754,600	2,864,946,300	2,874,653,000			115,898,400	4.2
GF/GP	4,439,614,400	4,779,342,000	4,671,821,100			232,206,700	5.2
Gross	\$25,502,246,400	\$26,178,757,500	\$25,882,022,400			\$379,776,000	1.5
FTEs	15,942.7	16,007.0	15,973.0			30.3	0.2

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws, funding for behavioral health (mental health and substance use disorder), population health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>	<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 House Change</u>
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MEDICAID AND BEHAVIORAL HEALTH – GENERAL

1. Traditional Medicaid Cost Adjustment

Executive increases \$224.4 million Gross (\$150.6 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments. Amount includes \$70.5 million GF/GP to offset the decline in federal FMAP and SCHIP match rates from 64.45% to 64.06% and 98.12% to 86.34%, respectively. Compared to FY 2017-18 expenditures, State Budget Office forecasts an average annual increase of 3.8%. House concurs with the Executive.

	Gross	\$13,697,562,500	\$224,444,500
Federal	8,782,364,700		67,504,000
Local	47,462,400		1,033,000
Private	2,100,000		0
Restricted	2,304,205,100		5,272,100
GF/GP	\$2,561,430,300		\$150,635,400

2. Healthy Michigan Plan Cost Adjustment

Executive reduces \$75.2 million Gross (increases \$68.1 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments, of which a reduction of \$50 million Gross (\$4.6 million GF/GP) is attributable to work requirement disenrollments. Amount includes \$75.1 million GF/GP to offset the decline in federal match rate from 93.25% to 90.75%. Compared to FY 2017-18 expenditures, State Budget Office forecasts an average annual increase of 3.8%. House concurs with the Executive and revises the savings from work requirement disenrollments to a federal match rate of 90%.

	Gross	\$4,082,666,000	(\$75,222,900)
Federal	3,805,273,200		(158,891,000)
Local	873,700		361,100
Restricted	181,916,500		15,565,900
GF/GP	\$94,602,600		\$67,741,100

Major Budget Changes From FY 2018-19 YTD Appropriations	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
3. Actuarial Soundness	Gross	NA \$211,452,000
<u>Executive</u> includes \$211.5 million Gross (\$61.9 million GF/GP) to support an estimated 2.75% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), an estimated 5.75% increase for PIHP autism services, and an estimated 2.0% actuarial soundness adjustment for Medicaid health plans and Healthy Kids Dental. <u>House</u> concurs with the Executive.	Federal	NA 149,565,300
	GF/GP	NA \$61,886,700
DEPARTMENTAL ADMINISTRATION AND SUPPORT		
4. Property Management – Building Projects	Gross	\$65,966,100 \$2,460,700
<u>Executive</u> includes \$2.8 million Gross (\$1.7 million GF/GP) to fund improvement projects at department priority sites. The department intends to make \$9.0 million in improvements to the following sites: Barry County (\$230,000), Chippewa County (\$250,000), Gogebic County (\$175,000), Kalamazoo County (\$2.2 million), Mackinac County (\$80,000), Macomb County-Warren (\$1.0 million), St. Clair MRS and County Office (\$100,000), Washtenaw County (\$1.0 million), Wayne County-Adult Svcs. (\$1.0 million), Wayne County-Grand River/Warren (\$1.5 million), and Wayne County-Grandmont (\$1.5 million). Total shortfall after fixed costs and projects would be \$2.8 million. <u>House</u> concurs with the Executive at a reduced amount of \$2.5 million Gross (\$1.4 million GF/GP), and designates funding as one-time.	IDG/IDT	593,500 0
	TANF	10,620,800 0
	Federal	25,152,800 1,060,600
	Private	36,400 0
	Restricted	168,900 0
	GF/GP	\$29,393,700 \$1,400,100
5. Property Management – Lease Costs	Gross	\$65,966,100 \$1,388,900
<u>Executive</u> includes \$1.4 million Gross (\$855,300 GF/GP) to fund lease increases on non-state owned buildings resulting from mid-term contract increases within a lease, increased rates at renewal, or increased rates from new buildings and current market. <u>House</u> concurs with the Executive.	IDG/IDT	593,500 0
	TANF	10,620,800 0
	Federal	25,152,800 533,600
	Private	36,400 0
	Restricted	168,900 0
	GF/GP	\$29,393,700 \$855,300
6. Departmental Administration GF/GP Lapses	Gross	NA (\$2,027,300)
<u>House</u> reduces GF/GP funding based on historic lapse trends for the following: Administrative Hearing Officers (\$183,000 GF/GP), Worker's Compensation (\$857,400 GF/GP), and Michigan Community Service Commission (\$986,900 GF/GP).	GF/GP	NA (\$2,027,300)
7. 3% Administrative Efficiencies	Gross	NA (\$27,905,300)
<u>House</u> reduces operational funding throughout the budget, reflecting a 3% reduction to be achieved through administrative efficiencies.	IDG/IDT	NA (166,000)
	TANF	NA (2,829,000)
	Federal	NA (11,272,300)
	Local	NA (573,200)
	Private	NA (213,900)
	Restricted	NA (544,800)
	GF/GP	NA (\$12,306,100)
8. Information Technology Reduction	Gross	NA (\$114,679,100)
<u>House</u> reduces funding available for information technology services and projects by 25%.	IDG/IDT	NA (266,700)
	TANF	NA (6,213,600)
	Federal	NA (77,754,400)
	Private	NA (6,250,000)
	Restricted	NA (500,000)
	GF/GP	NA (\$23,694,400)

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>			
9. Information Technology – One-Time Funding			
<u>Executive</u> includes a net-zero adjustment, reallocating \$47.0 million Gross (\$11.8 million GF/GP) ongoing appropriations to one-time appropriations. Pursuant to 2018 PA 618 (SB 601), these additional appropriations were included in the FY 2018-19 budget to attenuate the IT funding shortfall. <u>House</u> includes \$35.5 million Gross (\$8.8 million GF/GP), 75% of the funding requested in the Executive budget recommendation that was a net-zero adjustment.	Gross	NA	(\$11,750,000)
	Federal	NA	(8,812,500)
	GF/GP	NA	(\$2,937,500)
10. TANF Offset			
<u>House</u> replaces \$8.9 million GF/GP with federal TANF block grant funds based on TANF-funded reductions elsewhere.	Gross	NA	\$0
	TANF	NA	8,891,800
	GF/GP	NA	(\$8,891,800)
11. Economic Adjustments			
<u>Executive</u> reflects increased costs of \$28.8 million Gross (\$19.1 million GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs with the Executive.	Gross	NA	\$28,809,400
	IDG/IDT	NA	43,900
	TANF	NA	117,200
	Federal	NA	8,715,900
	Local	NA	158,600
	Private	NA	125,200
	Restricted	NA	513,200
	GF/GP	NA	\$19,135,400
CHILD SUPPORT ENFORCEMENT			
12. Federal Child Support Collection Fee Increase			
<u>Executive</u> includes an increase of \$956,300 GF/GP and a federal reduction of a like amount to fund an increase in the annual federal child support collection fee. The fee was raised from \$25 to \$35 per case once \$550 is collected on behalf of the custodial parent. Currently, the state pays this fee instead of assessing it on custodial parents. <u>House</u> concurs with the Executive.	Gross	NA	\$0
	Federal	NA	(956,300)
	GF/GP	NA	\$956,300
13. Child Support Enforcement GF/GP Lapses			
<u>House</u> reduces GF/GP funding based on historic lapse trends for the following: Child Support Enforcement Operations (\$562,000 GF/GP) and Legal Support Contracts (\$580,000 GF/GP).	Gross	NA	(\$1,142,000)
	GF/GP	NA	(\$1,142,000)
COMMUNITY SERVICES AND OUTREACH			
14. Campus Sexual Assault Prevention and Education			
<u>House</u> includes a reduction of \$821,700 GF/GP to the Campus Sexual Assault Prevention and Education Program for grants to high schools and institutions of higher education and includes boilerplate section 240 directing DHHS to expend available work project authorization funding. Sec. 451 is related boilerplate.	Gross	\$1,321,700	(\$821,700)
	GF/GP	\$1,321,700	(\$821,700)
15. Child Advocacy Centers – One-Time Funding			
<u>House</u> includes an increase of \$500,000 GF/GP funding on a one-time basis for child advocacy centers.	FTE	0.5	0.0
	Gross	\$1,407,000	\$500,000
	Restricted	1,407,000	0
	GF/GP	\$0	\$500,000
16. Crime Victim Justice Assistance Grant Increase			
<u>Executive</u> includes an increase of \$40.0 million federal funding and 4.0 FTE positions to recognize additional Victims of Crime Act – Victim Assistance grant funding. <u>House</u> concurs with the Executive.	FTE	0.0	4.0
	Gross	\$59,279,300	\$40,000,000
	Federal	59,279,300	40,000,000
	GF/GP	\$0	\$0
17. Homeless Programs			
<u>Executive</u> includes an increase of \$950,000 GF/GP to fund the \$2.00 per night supplemental increase to shelter providers provided by 2018 PA 618 for an entire year. The \$2.00 increase raised the per diem rate to \$18.00. <u>House</u> concurs with the Executive.	Gross	\$21,592,700	\$950,000
	TANF	6,162,600	0
	Federal	3,613,900	0
	GF/GP	\$11,816,200	\$950,000

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>			
18. Sexual Assault Comprehensive Services Grant	Gross	\$10,000,000	(\$9,999,900)
<u>Executive</u> eliminates \$10.0 million Gross (\$2.0 million GF/GP) supplemental funding provided by 2018 PA 618 to recognize federal Victims of Crime Act of 1984 (VOCA) funding for a grant to provide sexual assault comprehensive services to victims. <u>House</u> concurs with the Executive except allocates a one-time funding \$100 placeholder.	Federal	8,000,000	(8,000,000)
	GF/GP	\$2,000,000	(\$1,999,900)
19. Unified Clinics Resiliency Center for Families and Children – One-Time Funding	Gross	NA	\$3,000,000
<u>House</u> includes \$3.0 million GF/GP for the development and operation of a Resiliency Center for Families and Children to provide services to families and children experiencing trauma, toxic stress, chronic disability, neurodevelopmental disorders, or addictions. Sec. 1919 is related boilerplate.	GF/GP	NA	\$3,000,000
20. Human Trafficking Survivors’ Assistance – One-Time Funding	Gross	NA	\$700,000
<u>House</u> includes \$700,000 restricted funding for two long-term shelters that offer housing and comprehensive services to address the needs and recovery of survivors of human trafficking. Sec. 1916 is related boilerplate.	Restricted	NA	700,000
	GF/GP	NA	\$0
CHILD WELFARE SERVICES			
21. Child Welfare Caseload Adjustments	Gross	\$659,258,800	\$21,014,400
<u>Executive</u> includes an increase for child welfare programs of \$21.0 million Gross (\$13.4 million GF/GP) as follows:	Federal	198,260,300	6,065,800
<ul style="list-style-type: none"> Foster care payments are increased by \$15.6 million Gross (\$5.5 million GF/GP) from 6,400 cases at \$34,100 per year to 6,189 cases at \$37,700 per year. Adoption subsidies are reduced by \$6.3 million Gross (\$1.8 million GF/GP) from 22,920 cases at \$728.95 per month to 22,132 cases at \$731.29 per month. The Child Care Fund is increased by \$12.3 million GF/GP. Guardianship assistance payments are decreased by \$583,100 Gross (\$418,600 GF/GP) from 1,271 cases at \$709.26 per month to 1,236 cases at \$690.00 per month. 	TANF	94,804,700	666,100
	Local	17,183,500	919,200
	Private	1,770,700	0
	GF/GP	\$347,239,600	\$13,363,300
<u>House</u> concurs with the Executive.			
22. Foster Care Supportive Visitation Program	FTE	13.0	1.0
<u>Executive</u> includes an increase of \$5.9 million GF/GP and authorizes 1.0 FTE position to expand the Foster Care Supportive Visitation program to all 83 counties. Program is designed to help reunify children who are in foster care due to abuse and neglect with their parents. Funding would also support local contracts for the new Parent-Child Visit Assistance program. <u>House</u> concurs with the Executive except funds increase with \$2.4 million TANF funding and \$3.5 million GF/GP.	Gross	\$38,900,900	\$5,913,700
	Federal	607,600	0
	TANF	38,043,300	2,371,500
	GF/GP	\$250,000	\$3,542,200
23. Family Reunification Program	FTE	13.0	0.0
<u>Executive</u> includes an increase of \$2.4 million TANF and authorizes 1.0 FTE position to continue the funding for five family reunification program contracts whose work project funding will end in FY 2018-19. <u>House</u> does not include.	Gross	\$38,900,900	\$0
	Federal	607,600	0
	TANF	38,043,300	0
	GF/GP	\$250,000	\$0
24. Parent Partner Family Preservation Program	FTE	13.0	0.0
<u>Executive</u> includes an increase of \$975,000 GF/GP to fund the continuation of the Parent Partner Program which provides in-home mentoring and other support services to help families succeed in reunification with their children who were placed in foster care. <u>House</u> does not include.	Gross	\$38,900,900	\$0
	Federal	607,600	0
	TANF	38,043,300	0
	GF/GP	\$250,000	\$0

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
Major Budget Changes From FY 2018-19 YTD Appropriations			
25. Relative Foster Care Provider Licensing Incentive Payments	Gross	\$243,507,000	\$1,000,000
<u>Executive</u> includes an increase of \$1.8 million GF/GP to support new \$1,000 one-time incentive payments for relative foster care providers who become licensed foster parents within 180 days of the initial placement. <u>House</u> includes an increase of \$1.0 million GF/GP to fund the incentive payments.	Federal	101,625,600	0
	TANF	9,166,600	0
	Local	17,183,500	0
	Private	1,770,700	0
	GF/GP	\$113,760,600	\$1,000,000
	FTE	NA	0.0
26. Implementation of State Pays First	Gross	NA	\$18,394,500
<u>Executive</u> includes 4.0 additional FTE positions and increases funding by \$19.0 million Gross (reduces GF/GP by \$4.1 million) to implement 2018 PA 22, which requires the state be the first payer of costs for children placed in child welfare under DHHS's care and requires counties be the first payer for those that are not. The increased appropriation authorizes DHHS to receive an estimated \$22.8 million in local funding to reimburse the state for services for which the state will now be the first payer. <u>House</u> concurs with the Executive except does not include the 4.0 additional FTE positions and the \$584,500 Gross (\$367,900 GF/GP) funding for the positions.	Federal	NA	68,800
	Local	NA	22,811,800
	GF/GP	NA	(\$4,486,100)
27. Child Protective Services (CPS) Increase	Gross	NA	\$4,868,500
<u>Executive</u> includes an increase of \$4.9 million GF/GP to fund the supplemental CPS increase provided by 2018 PA 618 for an entire year. <u>House</u> concurs with the Executive.	GF/GP	NA	\$4,868,500
28. Attorney General Contract	Gross	\$4,455,800	\$0
<u>Executive</u> includes an increase of \$340,000 Gross (\$247,800 GF/GP) for the contract with the Attorney General to fund increased attorney costs for child abuse and neglect court cases in Wayne County. <u>House</u> does not include.	Federal	1,295,700	0
	GF/GP	\$3,160,100	\$0
29. Title IV-E Foster Care Reduction	Gross	\$243,507,000	(\$2,169,800)
<u>Executive</u> reduces \$2.2 million Gross (\$1.1 million GF/GP) to recognize the decrease in foster care residential placements based on the requirements of the federal Family First Prevention Services Act (FFPSA) and the increase of in-home foster care. The FFPSA requires that if a foster child is placed in residential care, federal IV-E funding cannot be used after the first two weeks of placement. <u>House</u> concurs with the Executive.	Federal	101,625,600	(1,116,100)
	TANF	9,166,600	0
	Local	17,183,500	0
	Private	1,770,700	0
	GF/GP	\$113,760,600	(\$1,053,700)
30. Executive Child Welfare Program Eliminations	Gross	\$775,000	(\$250,000)
<u>Executive</u> eliminates \$525,000 Gross (\$75,000 GF/GP) for state grant to Northeast Michigan Community Service Agency for School Success Partnership Program; eliminates \$250,000 GF/GP funding to Adoptive Family Support Network for the Parent-to-Parent mentoring program. <u>House</u> retains current year funding for the School Success Partnership Program and concurs with Executive to eliminate funding for the Parent-to-Parent program.	TANF	450,000	0
	GF/GP	\$325,000	(\$250,000)
31. Child Welfare Services GF/GP Lapses	Gross	NA	(\$2,500,000)
<u>House</u> reduces GF/GP funding based on historic lapse trends for the following: Child Welfare Medical/Psychiatric Evaluations (\$600,000 GF/GP), Children's Services Administration (\$600,000 GF/GP), Foster Care Payments: Incentive (\$300,000 GF/GP), and Juvenile Justice Administration and Maintenance (\$1.0 million GF/GP).	GF/GP	NA	(\$2,500,000)
32. Runaway and Homeless Youth – One-Time Funding	Gross	NA	\$1,500,000
<u>House</u> includes an increase of \$1.5 million GF/GP for Runaway and Homeless Youth programs. Sec. 596 is related boilerplate.	GF/GP	NA	\$1,500,000

<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>	<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 House Change</u>
33. Bay Pines and Shawano Facility Improvements – One-Time Funding		
<u>Executive</u> includes a fund source shift of \$489,600 local funding to be replaced by a similar amount of GF/GP to eliminate excess local funding authorization. GF/GP would be used for facility improvements. <u>House</u> concurs with the Executive except includes a one-time increase of \$300,000 GF/GP to fund the improvements.	FTE Gross	94.0 \$11,419,300
	Federal	0.0 (\$189,600)
	Local	0
	GF/GP	(489,600) \$300,000
PUBLIC ASSISTANCE		
34. Food Assistance Program Caseload Adjustment		
<u>Executive</u> recognizes a \$170.9 million reduction in federal Supplemental Nutrition Assistance Program revenues during FY 2018-19 and FY 2019-20 due to declining caseloads. <u>House</u> concurs with the Executive.	Gross	\$1,931,717,000 (\$170,911,300)
	Federal	1,927,007,000 (170,911,300)
	Restricted	4,710,000 0
	GF/GP	\$0 \$0
35. Public Assistance Caseload Adjustments		
<u>Executive</u> recognizes a \$12.1 million Gross (\$2.8 million GF/GP) reduction in expected public assistance program expenditures (excluding food assistance) during FY 2018-19 and FY 2019-20 due to declining caseloads. Amount includes adjustments reflecting FMAP declining from 64.45% to 64.06%. Reductions include:	Gross	\$143,367,800 (\$12,122,100)
• Family Independence Program: \$9.4 million Gross (\$168,300 GF/GP)	TANF	58,840,000 (9,442,000)
• State Disability Assistance: \$1.5 million GF/GP	Restricted	15,514,600 168,300
• State Supplementation: \$1.2 million GF/GP	GF/GP	\$69,013,200 (\$2,848,400)
<u>House</u> concurs with the Executive.		
36. Family Independence Program – Child Support Pass Through		
<u>Executive</u> includes a net-zero exchange of \$946,000 restricted and \$946,000 TANF to implement a child support pass through up to \$200 per eligible FIP-recipient family. Child support payments are otherwise split 36/64 with the federal government to support the cost of TANF-funded programs. TANF would be used to offset the revenues the State would not receive by adopting the pass through payments. <u>House</u> does not include.	Gross	\$75,216,800 \$0
	TANF	58,840,000 0
	Restricted	11,361,900 0
	GF/GP	\$5,014,900 \$0
37. Indigent Burial GF/GP Lapse Reduction		
<u>House</u> reduces the Indigent Burial line item by \$500,000 GF/GP, to account for trends in end of fiscal year GF/GP lapses.	Gross	\$4,375,000 (\$500,000)
	TANF	300,000 0
	GF/GP	\$4,075,000 (\$500,000)
38. Public Assistance – One-Time Placeholders		
<u>House</u> creates \$100 placeholders for possible future water utility emergency relief funding, and for Kids' Food Basket programs.	Gross	\$0 \$200
	GF/GP	\$0 \$200
FIELD OPERATIONS AND SUPPORT SERVICES		
39. Centers for Independent Living		
<u>House</u> increases Centers for Independent Living by \$1.5 million GF/GP.	Gross	\$14,031,600 \$1,500,000
	Federal	8,451,600 0
	Private	10,000 0
	GF/GP	\$5,570,000 \$1,500,000
40. SSI Legal Services Grant Elimination		
<u>Executive</u> removes \$250,000 GF/GP allocated for Supplemental Security Income (SSI) legal services with the Legal Services Association of Michigan (LSAM). Associated boilerplate section 625 is also removed. <u>House</u> concurs with the Executive.	Gross	\$250,000 (\$250,000)
	GF/GP	\$250,000 (\$250,000)

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>			
41. Volunteer Services and Reimbursement Elimination	Gross	\$942,400	(\$942,400)
<u>House</u> removes \$942,400 Gross (\$935,400 GF/GP) for Volunteer Services and Reimbursement, which includes transportation reimbursement, customer and clerical assistance, donations processing, and fundraising for locally-customized programs meeting community needs with help from volunteers.	TANF	3,200	(3,200)
	Federal	3,800	(3,800)
	GF/GP	\$935,400	(\$935,400)
42. Electronic Benefit Transfer (EBT) GF/GP Lapses	Gross	\$8,509,000	(\$1,700,000)
<u>House</u> reduces the Electronic Benefits Transfer (EBT) line item by \$1.7 million GF/GP, to account for trends in end of fiscal year GF/GP lapses.	TANF	1,016,000	0
	Federal	2,129,100	0
	GF/GP	\$5,363,900	(\$1,700,000)
BEHAVIORAL HEALTH SERVICES			
43. Direct Care Wage Increase Annualization	Gross	\$16,000,000	\$16,000,000
<u>Executive</u> includes \$16.0 million Gross (\$5.3 million GF/GP) to annualize the \$0.25 direct care behavioral health worker hourly wage increase included in 2018 PA 618. Sec. 1009 is related boilerplate. <u>House</u> concurs with the Executive.	Federal	10,899,500	10,688,700
	GF/GP	\$5,100,500	\$5,311,300
44. Caro Staffing Increase Annualization	FTE	68.0	0.0
<u>Executive</u> includes \$3.0 million GF/GP to annualize the 68.0 FTE position increase at the Caro Regional Mental Health Center added in 2018 PA 618 to address clinical and direct care staff shortages. Staff would come from a combination of direct civil service hires and contractual staff through a Michigan-based behavioral health services provider. <u>House</u> concurs with the Executive.	Gross	\$5,910,000	\$3,023,300
	GF/GP	\$5,910,000	\$3,023,300
45. Center for Forensic Psychiatry	FTE	601.1	7.0
<u>Executive</u> includes \$2.2 million GF/GP and authorizes 12.0 FTE positions to increase the number of forensic evaluations performed for persons who may be incompetent to stand trial. From August 2016 to December 2018, the forensic evaluation wait list has grown from 79 to 138. <u>House</u> includes funding for the 7.0 forensic evaluators and not the 5.0 support and administrative staff.	Gross	\$94,729,400	\$1,270,900
	Federal	3,000,000	0
	Local	10,115,800	0
	Restricted	3,002,100	0
	GF/GP	\$78,611,500	\$1,270,900
46. Federal State Response to the Opioid Crisis Grant	Gross	\$0	\$31,914,700
<u>Executive</u> includes \$31.9 million federal from the new state opioid response grant. The federal grant for FY 2018-19 is \$28.2 million and DHHS has indicated it will be requesting those funds through a federal contingency fund transfer. <u>House</u> includes and requires \$450,000 be allocated to a Recovery High School and \$600,000 be allocated to recovery community organizations.	Federal	0	31,914,700
	GF/GP	\$0	\$0
47. Executive Behavioral Health Program Reductions or Eliminations	Gross	NA	(\$2,600,000)
<u>Executive</u> reduces \$6.8 million GF/GP from reducing or eliminating the following behavioral health programs:	GF/GP	NA	(\$2,600,000)
<ul style="list-style-type: none"> • Eliminates Michigan CARES hotline (\$3.0 million GF/GP). • Reduces Mental Health and Wellness Commission (\$1.8 million GF/GP). • Eliminates court-appointed guardian reimbursement (\$1.5 million GF/GP). • Eliminates Conference of Western Wayne opioid pilot (\$500,000 GF/GP). 			
<u>House</u> reduces Michigan CARES hotline (\$1.0 million GF/GP), eliminates Mental Health and Wellness Commission (\$2.8 million GF/GP), increases court-appointed guardians (\$1.2 million GF/GP), and retains Conference of Western Wayne pilot.			

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
Major Budget Changes From FY 2018-19 YTD Appropriations			
48. State Disability Assistance Substance Use Disorder Services	Gross	\$2,018,800	(\$2,018,800)
<u>House</u> eliminates \$2.0 million GF/GP allocated to PIHPs for per diem room and board payments for eligible individuals who reside in substance use disorder residential facilities.	GF/GP	\$2,018,800	(\$2,018,800)
49. Community Mental Health Non-Medicaid Funding	Gross	\$125,578,200	\$100
<u>Executive</u> does not include the second year hold harmless funding that is a part of the current, FY 2018-19 CMHSP rebasing formula. Six CMHSPS would be reduced by a combined \$5.5 million GF/GP, as the new formula is scheduled to be phased in over a 5-year period. Sec. 925 is related deleted boilerplate. <u>House</u> includes \$100 placeholder and retains Sec. 925.	GF/GP	\$125,578,200	\$100
50. Behavioral Health GF/GP Lapses	Gross	NA	(\$4,450,000)
<u>House</u> reduces GF/GP funding based on historic lapse trends for the following: Behavioral Health Administration (\$600,000 GF/GP), Office of Recipient Rights (\$200,000 GF/GP), Children with Serious Emotional Disturbance Waiver (\$1.4 million GF/GP), Children's Waiver Home Care Program (\$2.1 million GF/GP), and Civil Service Charges (\$150,000 GF/GP).	GF/GP	NA	(\$4,450,000)
51. Behavioral Health – One-Time Funding	Gross	\$0	\$160,000
<u>House</u> includes \$100,000 GF/GP for SAFE Substance Abuse Coalition and \$60,000 GF/GP for mobile crisis resolution services.	GF/GP	\$0	\$160,000
52. Behavioral Health Placeholders	Gross	NA	\$300
<u>House</u> includes \$200 placeholder to offset local funding used for Medicaid mental health rates (Sec. 928), \$200 for a staffing increase at Kalamazoo Psychiatric Hospital, and \$100 for McLaren behavioral health pilot project.	Local	NA	(200)
	GF/GP	NA	\$500
POPULATION HEALTH			
53. Free Health Clinics	Gross	\$250,000	\$150,000
<u>House</u> increases funding for free health clinics by \$150,000 GF/GP, to \$10,000 per clinic grantee. Sec. 1140 is related boilerplate.	GF/GP	\$250,000	\$150,000
54. Environmental Contamination Response	FTEs	75.1	19.0
<u>Executive</u> increases funding by \$8.3 million GF/GP and authorizes 19.0 FTE positions to expand monitoring and response to public health hazards and threats from environmental contamination, expand laboratory testing and analysis for dioxins, mercury, polychlorinated biphenyls (PCBs), arsenic, and lead, fund nurse case management for children with elevated blood lead levels in Detroit, and local water and well sampling for state laboratory testing. YTD shown is Epidemiology Administration line item. <u>House</u> concurs with the Executive.	Gross	\$21,179,800	\$8,314,200
	Federal	13,141,000	0
	Private	264,900	0
	Restricted	683,200	0
	GF/GP	\$7,090,700	\$8,314,200
55. PFAS Contamination Response	FTEs	46.0	2.0
<u>Executive</u> increases funding by \$5.5 million GF/GP and authorizes 4.0 FTE positions for public health response to perfluoroalkyl and polyfluoroalkyl (PFAS) drinking water contamination; funds support toxicology and chemical analysis, outreach, and local health department services including provision of alternative water sources and water filters, and environmental and well sampling for state laboratory testing. Work project funding available from prior fiscal years will also fund services. <u>House</u> concurs with the Executive except increases FTEs by 2.0 instead of 4.0, reducing the increased funding by \$596,300 GF/GP.	Gross	\$18,925,300	\$4,946,500
	GF/GP	\$18,925,300	\$4,946,500

Major Budget Changes From FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change	
56. Executive Population Health Program Reductions and Eliminations		Gross	\$5,000,000	(\$4,300,000)
<u>Executive</u> eliminates GF/GP funding for bone marrow registry (\$250,000), early primary care incentive program (\$500,000), pediatric traumatic brain injury treatment (\$1.0 million), laboratory opioid enhanced testing (\$1.0 million), and reduces funding for outstate dental clinics (\$1.0 million). Also eliminates funding for alternative pregnancy and parenting program (\$700,000 Gross, \$50,000 GF/GP). <u>House</u> concurs with the Executive except retains current year funding for alternative pregnancy and parenting program, and eliminates remainder of funding for outstate dental clinics of \$550,000 GF/GP.		TANF	650,000	0
		GF/GP	\$4,350,000	(\$4,300,000)
57. Dental Programs GF/GP Reduction		Gross	\$3,759,100	(\$284,900)
<u>House</u> reduces public health dental programs GF/GP funding by \$284,900.		Federal	1,259,900	0
		Private	500,000	0
		Restricted	20,000	0
		GF/GP	\$1,979,200	(\$284,900)
58. Public Health Laboratory Fee Fund Balance		Gross	\$0	\$0
<u>House</u> includes a net \$0 Gross laboratory services adjustment with a \$1.0 million GF/GP reduction offset by state restricted fund increase to use laboratory fee fund balance carryforward, which has been increasing.		Restricted	0	1,000,000
		GF/GP	\$0	(\$1,000,000)
59. Lead Abatement Grant SCHIP Adjustment		Gross	\$27,754,200	\$0
<u>Executive</u> includes a net \$0 Gross (\$2.9 million GF/GP) federal to GF/GP fund shift to recognize reduction of the federal share for lead abatement grant from 98.12% to 86.34%. YTD shown is for Healthy Homes Program line item of which \$23.5 million is federal Children's Health Insurance Program (SCHIP) funds approved for use for lead abatement in Flint and other high-risk communities for up to five years, since FY 2016-17. <u>House</u> concurs with the Executive.		Federal	25,194,100	(2,857,400)
		Private	77,800	0
		Restricted	723,700	0
		GF/GP	\$1,758,600	\$2,857,400
60. Preventive Health Services Block Grant Reallocation		Gross	\$495,000	\$0
<u>Executive</u> reallocates \$495,000 of ongoing federal Preventive Health and Health Services block grant funding to 4 new projects for asthma, safe sleep, diabetes, and emerging health needs in Local Health Services line. Previous use of the funds for primary care clinics is no longer allowed under the grant and was replaced with GF/GP funding in FY 2018-19. <u>House</u> concurs with the Executive.		Federal	495,000	0
		GF/GP	\$0	\$0
61. Oral Health Assessment for Children		Gross	\$0	\$2,000,000
<u>House</u> includes \$2.0 million GF/GP for a new oral health assessment program for children entering public school kindergarten who do not have dental insurance, similar to HB 4223. Sec. 1319 is related boilerplate.		GF/GP	\$0	\$2,000,000
62. Health and Wellness Initiatives – Children's Healthy Exercise		Gross	\$9,047,600	(\$1,000,000)
<u>Executive</u> includes net \$0 Gross adjustments to eliminate the Health and Wellness Initiatives line item and move GF/GP and Healthy Michigan Fund (HMF) project funding to related appropriation line items. Line item was created in FY 2011-12 when HMF funding for public health prevention projects was reduced and consolidated. <u>House</u> does not concur with the Executive rollup, and eliminates \$1.0 million GF/GP for the school children's healthy exercise program grants funded under this line item. Sec. 1226 is related deleted boilerplate.		Restricted	5,299,100	0
		GF/GP	\$3,748,500	(\$1,000,000)

Major Budget Changes From FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
63. Waive Vital Records Fee for Homeless		Gross	\$10,167,700
<u>Executive</u> includes \$226,000 GF/GP increase to waive state or local vital records fee for a copy of a birth certificate to a homeless individual; \$136,000 supports state cost (Vital Records), and \$90,000 reimburses homeless service agencies that pay county or out-of-state fee (Homeless Programs). YTD shown is Vital Records line item. Sec. 456 is related boilerplate. Statutory change is required. <u>House</u> concurs with the Executive.		Federal	4,553,600
		Restricted	5,172,100
		GF/GP	\$442,000
			\$226,000
64. Newborn Screening Annual CPI Fee Adjustment		Gross	\$7,535,600
<u>Executive</u> increases state restricted funds by \$560,800 to reflect annual statutory CPI fee adjustment for screening of newborns for over 50 treatable genetic conditions, in program (YTD shown) and laboratory lines. <u>House</u> concurs with the Executive.		Restricted	7,535,600
		GF/GP	\$0
			\$560,800
			\$0
65. Nurse Family Partnership Supplemental Funding		Gross	\$20,972,000
<u>Executive</u> eliminates \$325,000 GF/GP for prenatal care nurse family partnership programs for Ingham and Kent counties included in supplemental 2018 PA 618. YTD shown is Prenatal Care Outreach line item. <u>House</u> retains current year funding for nurse family partnership, but does not include supplemental Sec. 461 boilerplate directing funds.		TANF	650,000
		Federal	12,668,000
		GF/GP	\$7,654,000
			\$0
			\$0
66. Population Health Federal and Private Funds Adjustments		Gross	NA
<u>Executive</u> recognizes net reduction of \$31.8 million for federal and private funding, including: 1) completion of \$269,700 federal nursing collaborative grant; 2) \$25.0 million reduction to women, infants, and children (WIC) food program federal authorization to recognize declining caseload; 3) \$7.0 million reduction to AIDS program federal and private authorization to align to actual spending; and 4) \$500,000 increase to epidemiology and laboratory capacity grant. <u>House</u> concurs with the Executive.		Private	NA
		Federal	NA
		GF/GP	NA
			(\$31,769,700)
			(5,000,000)
			(26,769,700)
			\$0
67. Population Health GF/GP Lapses		Gross	NA
<u>House</u> reduces GF/GP funding based on historic lapse trends for the following: Health Policy Administration (\$300,000), Michigan Essential Health Provider (\$137,000), Laboratory Services (\$134,000), and Bioterrorism Preparedness (\$66,000).		GF/GP	NA
			(\$637,000)
68. Flint Drinking Water and Lead Exposure – One-Time Funding		Gross	\$4,621,100
<u>Executive</u> increases funding for assistance to residents exposed to lead in the City of Flint by \$3.4 million Gross (\$3.8 million GF/GP), providing \$5.2 million GF/GP in the ongoing budget and \$2.9 in one-time funding for total funding of \$8.1 million. In addition, work project funding available from prior fiscal years will also be used for services. <u>House</u> does not include increase, makes \$376,700 fund shift from Healthy Michigan Fund to GF/GP and includes revised boilerplate as Sec. 1910.		Restricted	376,700
		GF/GP	\$4,244,400
			(376,700)
			\$376,700
69. Lead Exposure Response for Communities – One Time Funding		Gross	\$0
<u>House</u> includes \$3.4 million GF/GP for health care, food and nutrition, lead abatement, and other services in communities with lead contamination in water, soil, or housing that has caused human health consequences, including Flint. Sec. 1917 is related boilerplate.		GF/GP	\$0
			\$3,434,500
70. Child and Adolescent Health Centers – One-Time Funding		Gross	\$0
<u>House</u> includes \$2.0 million GF/GP for the expansion of school-based child and adolescent health centers in underserved areas, for behavioral and physical health services. Sec. 1911 is related boilerplate.		GF/GP	\$0
			\$2,000,000

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>			
71. State Innovation Model Regions – One-Time Funding	Gross	\$10,000,000	\$200
<u>Executive</u> includes one-time funding of \$7.0 million GF/GP to sustain infrastructure of five community health innovation regions (CHIRs), initiated under the 4-year \$70 million federal state innovation model (SIM) grant nearing completion, while SIM evaluation and recommendations are completed and the regions work to identify ongoing non-state financial support. In addition, work project funding available from prior fiscal years will also be used. <u>House</u> includes \$200 placeholder.	Federal	10,000,000	0
	GF/GP	\$0	\$200
72. Population Health Programs – One-Time Funding	Gross	\$0	\$300,100
<u>House</u> includes \$300,000 GF/GP for obesity and substance abuse prevention programs of Leaders Advancing and Helping Communities (Sec. 1915 is related boilerplate), and also includes a \$100 placeholder for the Special Needs Vision Clinic.	GF/GP	\$0	\$300,100
AGING AND ADULT SERVICES			
73. Aging Services GF/GP Lapses	Gross	\$46,067,300	(\$101,000)
<u>House</u> reduces GF/GP funding for Community Services by \$101,000 based on historic lapse trends.	Federal	22,280,400	0
	GF/GP	\$23,786,900	(\$101,000)
74. Dementia Services Program Placeholder – One-Time Funding	Gross	\$46,067,300	\$100
<u>House</u> includes \$100 placeholder for increased programming for dementia and in-home care and community services for seniors. YTD amount shown is for aging Community Services line item.	Federal	22,280,400	0
	GF/GP	\$23,786,900	\$100
MEDICAL SERVICES			
75. Healthy Michigan Plan Work Requirement	FTE	84.0	(48.0)
<u>Executive</u> increases \$36.2 million Gross (\$23.1 million GF/GP) for administrative costs and employment and training-related services and supports related to the Healthy Michigan Plan work requirements set to begin January 1, 2020. Sec. 1511 is related boilerplate for the \$10.0 million GF/GP for employment and training-related services and supports. <u>House</u> does not include the additional employment and training-related funding.	Gross	\$49,078,800	\$26,215,400
	Federal	37,035,500	13,107,700
	GF/GP	\$12,043,300	\$13,107,400
76. Medicaid Adult Home Help Minimum Wage Increase	Gross	\$328,368,100	\$28,173,100
<u>Executive</u> increases \$28.2 million Gross (\$10.1 million GF/GP) for Medicaid adult home help minimum wage cost increases. FY 2018-19 YTD funding supports a minimum wage of \$9.25 that will be increasing to \$9.65 on January 1, 2020. Amount includes \$16.6 million Gross (\$6.0 million GF/GP) to increase home health agency providers, which have been decoupled from minimum wage increases since November 2017. <u>House</u> concurs with the Executive.	Federal	212,068,900	18,047,600
	GF/GP	\$116,299,200	\$10,125,500
77. Office of Inspector General Medicaid Managed Care Audit	FTE	NA	10.0
<u>Executive</u> includes a net reduction of \$21.6 million Gross (\$4.9 million GF/GP) in state recoupment of inappropriate and fraudulent payments from Medicaid managed care organizations to providers. Amount includes an increase of \$3.4 million Gross (\$1.7 million GF/GP) and authorizes 30.0 FTE positions for the Office of Inspector General and a reduction of \$25.0 million Gross (\$6.6 million GF/GP) from Medicaid recoupments. Current Inspector General activity is limited to Medicaid fee-for-service payments. <u>House</u> authorizes 10.0 FTEs and revises down the net reduction. Sec. 1507 is related boilerplate.	Gross	NA	(\$15,527,500)
	Federal	NA	(11,717,000)
	GF/GP	NA	(\$3,810,500)

Major Budget Changes From FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
78. Medicaid Managed Care Pharmaceutical Administration		Gross	NA (\$19,853,000)
<u>Executive</u> reduces the Medicaid managed care pharmaceutical administration component \$19.9 million Gross (\$5.0 million GF/GP). Pharmaceutical administrative costs are calculated as a percentage of pharmaceutical costs, so any pharmaceutical cost increases have led to a proportionate increase in payments for Medicaid managed care pharmaceutical administration. <u>House</u> concurs with the Executive and includes new, related boilerplate section 1625.		Federal	NA (14,853,000)
		GF/GP	NA (\$5,000,000)
79. Medicaid Managed Care Health Insurer Fee – One-Time Funding		Gross	\$0 \$0
<u>Executive</u> increases \$180.5 million Gross (\$50.0 million GF/GP) on a one-time basis under the assumption that the federal Affordable Care Act (ACA) health insurer fee moratorium will expire, as is current federal law. <u>House</u> does not include.		Federal	0 0
		GF/GP	\$0 \$0
80. Special Hospital Payments		Gross	NA \$146,217,400
<u>Executive</u> includes a net increase of \$101.5 million Gross (net reduction of \$9.1 million GF/GP) based on changes to special hospital payments. Changes include: increasing Hospital Rate Adjustment (HRA) \$67.5 million Gross (reducing \$1.6 million GF/GP), reducing Medicaid Access to Care Initiative (MACI) \$3.7 million Gross (\$0 GF/GP), increasing outpatient Disproportionate Share Hospital (DSH) \$40.7 million Gross (reducing \$4.5 million GF/GP), and reducing Rural Hospital Obstetrical Stabilization Pool \$3.0 million GF/GP. <u>House</u> retains current year funding for Rural Hospital Pools and includes \$41.7 million Gross (\$15.0 million GF/GP) on a one-time basis for critical access hospitals.		Federal	NA 106,597,600
		Restricted	NA 30,685,200
		GF/GP	NA \$8,934,600
81. MiDocs		Gross	\$28,129,400 (\$15,529,400)
<u>Executive</u> reduces \$15.5 million Gross (\$3.7 million GF/GP) based on anticipated spending in FY 2018-19, as unspent FY 2018-19 funding will be available as work project authorization for FY 2019-20. Also reduces federal authorization based on a 50% federal match rather than FMAP. <u>House</u> concurs with the Executive and includes boilerplate section 240 directing DHHS to expend available work project authorization funding.		Federal	18,129,400 (11,829,400)
		Restricted	5,000,000 0
		GF/GP	\$5,000,000 (\$3,700,000)
82. Psychiatric Residency Program		Gross	\$8,438,800 (\$8,438,800)
<u>Executive</u> eliminates \$8.4 million Gross (\$3.0 million GF/GP) added in 2018 PA 618 to support a new psychiatric residency training program through Beaumont Health. <u>House</u> concurs with the Executive.		Federal	5,438,800 (5,438,800)
		GF/GP	\$3,000,000 (\$3,000,000)
83. Hospice Room and Board		Gross	\$3,318,000 \$0
<u>Executive</u> eliminates \$3.3 million GF/GP for hospice room and board payments that are not eligible for federal Medicaid reimbursement. Sec. 1856 is related boilerplate. <u>House</u> retains current year funding.		GF/GP	\$3,318,000 \$0
84. Medicaid Long-Term Care – Capital Asset Value Limit		Gross	\$1,866,486,100 \$4,862,600
<u>Executive</u> increases \$4.9 million Gross (\$1.7 million GF/GP) from changing the capital asset value limit for Class I nursing facilities from a total average to a rolling 15-year average of new construction. Sec. 1645 is related boilerplate. <u>House</u> concurs with the Executive.		Federal	1,199,095,600 3,115,000
		Local	6,618,800 0
		Private	2,100,000 0
		Restricted	313,109,300 0
		GF/GP	\$297,362,400 \$1,747,600
85. Medicaid Long-Term Care – Variable Cost Limit		Gross	\$1,866,486,100 (\$15,303,300)
<u>Executive</u> reduces \$15.3 million Gross (\$5.5 million GF/GP) from changing the Class I and Class III variable cost limit from the 80 th percentile to the 70 th percentile. <u>House</u> concurs with the Executive.		Federal	1,199,095,600 (9,803,300)
		Local	6,618,800 0
		Private	2,100,000 0
		Restricted	313,109,300 0
		GF/GP	\$297,362,400 (\$5,500,000)

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
Major Budget Changes From FY 2018-19 YTD Appropriations			
86. Medicaid Long-Term Care – Quality Assurance Assessment Program (QAAP)	Gross	\$1,866,486,100	\$59,347,000
<u>Executive</u> increases \$59.3 million Gross (reduces \$6.6 million GF/GP) in QAAP-funding supplemental nursing facility payments. Total payment would be \$620.0 million Gross. <u>House</u> concurs with the Executive.	Federal	1,199,095,600	38,017,700
	Local	6,618,800	0
	Private	2,100,000	0
	Restricted	313,109,300	27,891,600
	GF/GP	\$297,362,400	(\$6,562,300)
87. MI Choice Waiver Program	Gross	\$351,913,900	\$40,535,500
<u>House</u> includes \$40.5 million Gross (\$14.6 million GF/GP) to increase the capitated rates by 5% and to increase the number of MI Choice slots by 1,000. Increase is offset with assumed long-term care savings.	Federal	226,383,300	25,932,800
	GF/GP	\$125,530,600	\$14,602,700
88. Neonatology Rate Increase	Gross	NA	\$1,739,000
<u>House</u> includes \$1.7 million Gross (\$625,000 GF/GP) to increase Medicaid neonatal rates to 80% of Medicare reimbursement.	Federal	NA	1,114,000
	GF/GP	NA	\$625,000
89. Pediatric Psychiatric Rate Increase	Gross	NA	\$5,837,900
<u>House</u> includes \$5.8 million Gross (\$2.1 million GF/GP) to increase Medicaid pediatric psychiatry rates to 80% of Medicare reimbursement.	Federal	NA	3,739,800
	GF/GP	NA	\$2,098,100
90. Opioid Prescribing	Gross	NA	(\$2,000,000)
<u>Executive</u> reduces \$2.0 million Gross (\$500,000 GF/GP) from FY 2018-19 policy changes limiting certain opioid prescriptions to seven days and reducing Morphine Equivalent Daily Dose limits in accordance with federal CDC guidelines. <u>House</u> concurs with the Executive.	Federal	NA	(1,500,000)
	GF/GP	NA	(\$500,000)
91. Non-Emergency Medical Transportation Pilot	Gross	\$1,419,600	(\$1,419,600)
<u>Executive</u> eliminates \$1.4 million Gross (\$510,200 GF/GP) allocated for a non-emergency medical transportation pilot aimed at increasing public transportation utilization. <u>House</u> concurs with the Executive.	Federal	909,400	(909,400)
	GF/GP	\$510,200	(\$510,200)
92. Medical Services GF/GP Lapses	Gross	NA	(\$900,000)
<u>House</u> reduces GF/GP funding based on historic lapse trends for the following: Children’s Special Health Care Services (CSHCS) Nonemergency Medical Transportation (\$500,000 Gross) and Medical Services Administration (\$400,000 GF/GP).	Federal	NA	(100,000)
	GF/GP	NA	(\$800,000)
93. Medical Services Placeholders	Gross	NA	\$300
<u>House</u> includes \$100 placeholder for Medicaid recipient engagement for self-sufficiency and \$200 placeholder for Michigan Health Information Network (MiHIN).	GF/GP	NA	\$300
94. State Restricted Revenue Adjustments	Gross	NA	\$0
<u>Executive</u> revises restricted revenues based on projected available revenue for a net increase of \$15.0 million, which is offset with a like amount of GF/GP savings. Revisions include:	Federal	NA	25,000,000
• Increasing State Psychiatric DSH savings \$25.0 million.	Restricted	NA	(2,754,600)
• Reducing Medicaid Benefits Trust Fund \$10.0 million.	GF/GP	NA	(\$22,245,400)
• Reducing Merit Award Trust Fund \$2.5 million.			
• Increasing Healthy Michigan Fund \$2.5 million.			
<u>House</u> concurs with the Executive and also allocates \$7.2 million in Health Insurance Claims Assessment fund balance to offset GF/GP.			
ONE-TIME APPROPRIATIONS			
95. Remove FY 2018-19 One-Time Appropriations	Gross	\$56,024,000	(\$52,617,800)
<u>Executive</u> removes \$56.0 million Gross (\$37.8 million GF/GP) one-time appropriations included in FY 2018-19. <u>House</u> retains \$1.4 million GF/GP for multicultural integration, \$1.0 million GF/GP for autism navigator contracts, \$1.0 million GF/GP for U of D Mercy dental clinic, and \$100 for TEAM Cares.	Federal	14,206,300	(14,206,300)
	Private	4,000,000	(4,000,000)
	GF/GP	\$37,817,700	(\$34,411,500)

Major Boilerplate Changes From FY 2018-19

GENERAL SECTIONS

Sec. 210. Contingency Fund Appropriations – RETAINED

Appropriates federal, state restricted, local, and private contingency funds of up to \$545 million total, available for expenditure when transferred to a line item through the legislative transfer process. Executive revises by increasing state restricted contingency funds from \$45 million to \$90 million. House retains current law.

Sec. 240. Use of Existing Work Project Authorization – NEW

House establishes that appropriations in part 1 shall not be expended in cases where existing work project authorization is available for the same expenditures.

Sec. 250-1905. [Sec. 468 2018 PA 618 Supplemental] Information Technology Cost Estimates – REVISED

Requires DHHS to report monthly regarding expenditures on information technology services and projects by service, project and line item, including year-to-date spending and planned spending for the remainder of the fiscal year; defines “projects”; requires DHHS to coordinate with DTMB to provide a 5-year strategic plan for information technology services and projects including changes in federal and state shares. Executive retains with minor revisions. House retains as Sec. 1905 as a monthly report with minor revisions.

Sec. 275. Year-End Federal Funds Adjustments – REVISED

Provides limited authority for the Executive to realign capped and other federal fund sources to maximize federal revenues as part of the year-end closing process, and requires a report by November 30 on the realignments made for the previous fiscal year. Executive revises to strike year-end closing language, allowing DHHS to realign federal fund sources at any time during the fiscal year. House revises to allow quarterly realignment, with quarterly reporting.

Sec. 298. Behavioral Health Integration Pilot Projects – RETAINED

Requires DHHS to continue to pilot the integration of behavioral health and physical health services, including: project facilitator, demonstration model project in Kent County with a willing CMHSP, up to 3 additional pilot projects with CMHSPs and Medicaid health plans, reinvest savings into behavioral health services in the pilot area, and evaluate pilots and replicability. Requires report by DHHS, and report by managing entities of pilots, and states legislative intent for projects. Executive revises to remove DHHS report requirement and make one technical change. House retains current law.

Sec. 299. Request for Proposal for Contract – REVISED

Prohibits DHHS from issuing a request for proposal (RFP) for a contract in excess of \$5 million, without first considering issuing a request for information (RFI) or a request for qualification (RFQ) relative to that contract; DTMB must be notified of evaluation process used to determine if an RFI or RFQ was not necessary prior to issuing the RFP; requires that all vendors receive detailed notices of RFP results; and requires report by September 30. Executive deletes. House retains with revisions to reporting requirements.

CHILDREN’S SERVICES - CHILD WELFARE

Sec. 515. Child Protection Services (CPS) Caseworker Home Visit Safety – NEW

House prohibits DHHS from denying a CPS caseworker’s request to have another worker accompany the CPS caseworker on a home visit if the CPS caseworker believes it unsafe to conduct the home visit alone.

Sec. 518. Supervisory Oversight of CPS Caseworker Reports – NEW

House requires supervisors to complete an initial read of a CPS caseworker’s report and either approve the report or note any needed corrections within 5 business days; requires the caseworker to resubmit a corrected report within 3 business days.

Sec. 531. Child Welfare Contract Change Notification – RETAINED

Requires DHHS to notify the Legislature of any changes to a child welfare master contract template not less than 30 days before the changes take effect. Executive deletes. House retains current law.

Sec. 532. Licensing and Contract Compliance Review – RETAINED

Requires collaboration between DHHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes; requires report. Executive deletes. House retains current law.

Sec. 593. Residential Service Providers Staff Ratio – DELETED

Allows residential service providers for child abuse and child neglect cases to implement staff ratios of 1 staff to 5 children during working hours. Executive retains. House deletes.

Major Boilerplate Changes From FY 2018-19

PUBLIC ASSISTANCE

Sec. 603. Change in Public Assistance Benefits Notification – NEW

House includes new section to require the department to notify Food Assistance Program, Family Independence Program, and State Disability Assistance Program benefits recipients of any income-based benefits reductions no later than 15 workdays prior to the effective date of the reductions in benefits received.

Sec. 610(6). State Emergency Relief – REVISED

Provides for the policies and restrictions on State Emergency Relief grants to needy individuals. House includes new subsection that increases the cash asset disregard from \$50 to \$200 when determining applicants' required copayments for energy-related State Emergency Relief assistance.

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. ~~805.~~ 1155. Michigan Rehabilitative Services Order of Selection – REVISED

Details the intent of the legislature that the department not implement a waiting list for rehabilitative services. Executive rennumbers and moves to Health Policy section. House concurs with the Executive, but adds a new subsection providing the intent of the legislature that the department coordinate with various entities in order to ensure maximum program participation.

Sec. 809. Pathways to Potential – REVISED

Details the purpose, goals, and reporting requirements of the Pathway to Potential program, as well as requirements for measuring outcomes and remedial course of action for schools that do not have sufficient outcomes as measured by the department. Executive revises to remove the requirement to reduce the number of dropouts and increase graduation rates, as well as the requirement to report on funding allocation for each participant school. House concurs with the Executive and makes technical adjustments.

BEHAVIORAL HEALTH SERVICES

Sec. 912. Salvation Army Harbor Light Program – RETAINED

Requires DHHS to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance use disorder services, if program meets standard of care. Executive deletes. House retains current law.

Sec. 924. Autism Services Fee Schedule – REVISED

Requires DHHS to establish a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also reduces behavioral technician fee schedule by 10%, but not less than \$50.00 per hour. Executive revises to maintain the established fee schedule. House revises to maintain the established fee schedule and includes requirement for behavioral technician fee be not be less than \$50.00 per hour.

Sec. 940. Transferring and Withdrawing CMHSP Allocations – RETAINED

Requires DHHS to review CMHSP expenditures to identify projected lapses and surpluses, to encourage the board of the CMHSP with a projected lapse to concur with the recommendation to reallocate the lapse to other CMHSPs, and to withdraw funds from a CMHSP if those funds were not expended in a manner approved by DHHS, including for services and programs provided to individuals residing outside of the CMHSP's geographic region; prohibits a CMHSP from receiving additional funding if the CMHSP transferred out or withdrew funds during current fiscal year; requires CMHSPs to report any proposed reallocations prior to going into effect; requires legislative notification and report. Executive revises by removing the requirement to withdraw unspent funds if funds were not expended in a manner approved by DHHS. House retains current law.

Sec. 950. Court-Appointed Guardians and Conservators – REVISED

Adds \$1.5 million GF/GP to reimburse counties for 50% of the cost to provide up to \$83 per month to court-appointed public guardians and conservators to individuals who receive CMHSP services, and requires a report. Executive deletes. House revises to provide \$2.7 million GF/GP to directly reimburse court-appointed public guardians and conservators at \$50 per month.

Sec. 974. Intellectual or Developmental Disability Service Delivery – NEW

House requires DHHS and PIHPs to allow an individual with an intellectual or developmental disability who receives supports and services from a CMHSP to choose to instead receive supports and services from another provider if the individual can show he or she is qualified and eligible to receive services from the other provider. States that other providers can include MI Choice and PACE providers.

Major Boilerplate Changes From FY 2018-19

Sec. 976. Oakland County Integration Pilot Project – NEW

House requires DHHS to work with a single county PIHP that is currently not participating in any other pilot project to pilot a physical and behavioral health integrated service demonstration model that does not transfer funds to Medicaid health plans; expands existing integrated efforts such as shared care coordination; states intent that the pilot project last at least 2 years, expands individuals who meet criteria for expanded care coordination through CareConnect 360 and identifying individuals not receiving health care services; states outcomes and performance measures; requires a report.

Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – RETAINED

Requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law not initiate an action by negatively impacts beneficiary safety; defines “national accrediting entity.” Executive deletes. House retains current law.

Sec. 1010. Kevin’s Law – REVISED

Allocates up to \$2.0 million to address implementation of court-ordered assisted outpatient treatment under the Mental Health Code (Kevin’s Law). House revises to \$1.0 million and modifies the line item name.

Sec. 1061. Caro Regional Mental Health Center – REVISED

Requires DHHS to only use the funds appropriated for the Caro Regional Mental Health Center to support a psychiatric hospital at its current location, includes legislative intent that the Caro Regional Mental Health Center remain open and operational at its current location and that any capital outlay funding be used for planning and construction at the current location instead of a new location. Executive deletes. House includes minor revisions to the capital outlay intent language.

POPULATION HEALTH

Sec. 1234. Essential Local Public Health Services Funding Formula Revision – DELETED

Requires DHHS to develop and report to the legislature a revised distribution formula for the allocation of essential local public health services line item appropriations to local health departments, and states legislative intent that the new formula be implemented beginning October 1, 2019. Executive and House delete.

Sec. 1235. Prison Food Service Kitchen Inspections by Local Health Departments – DELETED

States that if funds become available from the Department of Corrections, funds shall be allocated to local health departments to evaluate and inspect food service kitchens of state prisons. Executive and House delete.

Sec. 1237. Kidney Foundation Allocation - NEW

House allocates \$563,000 to the National Kidney Foundation of Michigan from 4 population health line items.

Sec. 1238. Lead Elimination and Response Workgroup - NEW

House requires DHHS to establish a workgroup to determine the cost of establishing lead elimination and response as an essential local public health service, and to report to the legislature on the findings of the workgroup by March 1.

Sec. 1239. MPART Participation – NEW

House requires DHHS to participate collaboratively with the Michigan PFAS Action Response Team (MPART) and other departments, and to make continuous efforts to ensure that DHHS does not duplicate activities of another department.

Sec. 1303. Contract Restrictions for Family Planning Local Agreements with State Funds – RETAINED

Prohibits DHHS from contracting with an organization that provides elective abortions, or abortion counseling or referrals, for services funded with state restricted or GF/GP funds appropriated for family planning local agreements. Prohibits an organization under contract with DHHS from subcontracting with an organization that provides elective abortions or abortion counseling or referrals, for services that are to be funded with state restricted or GF/GP funds appropriated for family planning local agreements. Executive deletes. House retains current law.

Sec. 1305. Contract Restrictions and Priorities for Family Planning and Pregnancy Prevention – RETAINED

(1) Prohibits DHHS from contracting for family planning and pregnancy prevention services with an entity that engages in abortion activities under PA 360 of 2002, if another entity applies to provide those services that is not already engaged in abortion activities. (2) Requires DHHS to give a higher priority to a) contracting for services in counties where there are currently no contracts for services, before b) contracting for additional services by an entity that engages in abortion activities in a county where there are already services provided by an entity that does not engage in abortion activities. (*Governor’s FY 2018-19 signing letter states section is considered unenforceable.*) Executive deletes. House retains current law.

Major Boilerplate Changes From FY 2018-19

Sec. 1320. Family Planning and Pregnancy Prevention Media Campaign Messaging – NEW

House states legislative intent that funds that may be expended for a public media campaign regarding publicly funded family planning or pregnancy prevention programs shall not be used to communicate any message that implies or that can be interpreted to mean that abortion is a method of family planning or pregnancy prevention.

MEDICAL SERVICES

Sec. 1507. Medicaid Managed Care Inspector General Audits – NEW

House requires the office of inspector general to audit and recoup inappropriate or fraudulent payments from Medicaid managed care organizations to health care providers and unless authorized by federal or state law to not fine, suspend, disenroll, or terminate providers due to an audit finding.

Sec. 1513. Medicaid Inpatient Psychiatric Hospital Workgroup – NEW

House requires DHHS to create a workgroup to determine an equitable and adequate reimbursement methodology for Medicaid inpatient psychiatric hospital care, lists participating workgroup members, requires a report from the workgroup.

Sec. 1625. Medicaid Managed Care Pharmacy Benefits Managers – NEW

House prohibits DHHS from entering in any contracts with a Medicaid managed care organization that relies on a pharmacy benefits manager that does not: utilize the same pharmacy reimbursement methodology as Medicaid fee-for-service of National Average Drug Acquisition Cost plus a professional dispensing fee comparable to the Medicaid fee-for-service dispensing fees, permit pharmacists in good standing who are willing to accept the professional dispensing fees to be part the network, reimburse for valid claims a rate at the time of the original point of sale claim, agree to transparent “pass-through” pricing, states that the administrative savings in part 1 are assumed to be shared across both the Medicaid managed care organizations and the pharmacy benefits managers.

Sec. 1763. Actuarial Services Request for Proposal – DELETED

Requires DHHS to issue a request for proposal for a 3-year contract for actuarial services related to rate setting for traditional Medicaid and Healthy Michigan Plan during the next contract renewal period and to notify the legislature. Executive and House delete.

Sec. 1802. and Sec. 1866. Rural Hospital Payments – REVISED

Sec. 1802 directs \$8.0 million in lump sum payments to hospitals that qualified for rural hospital access payments in FY 2013-14 at a rate proportional to each hospital’s obstetrical care and newborn care volume. Sec. 1866 allocates \$18.0 million GF/GP and any associated federal match to hospitals providing services to low-income rural residents; provides that no hospital or hospital system may receive more than 10% of the total distribution; requires DHHS to provide each hospital the distribution methodology and data used to determine payment amounts. Executive revises by combining both sections into Sec. 1802 and reducing the \$8.0 million GF/GP lump sum payment to \$5.0 million. House revises by combining both sections into Sec. 1802 and by adding language distributing \$15.0 million GF/GP critical access hospital payment.

Sec. 1805. Graduate Medical Education (GME) Quality Data – RETAINED

Requires hospitals receiving GME payments to submit quality data utilizing consensus-based nationally endorsed standards to be posted on a public website, lists specific quality reporting information, requires hospitals to also post quality data on the hospital’s website, and requires DHHS to withhold 25% of a hospital’s GME payment if data is not submitted by January 1. Executive revises by requiring data submission for acute care hospitals only and by removing the 25% withhold. House retains current law.

Sec. 1855. Unused PACE Slots – RETAINED

Requires DHHS, if funds are available, to allow PACE programs to increase then number of program slots if the local PACE program provides documentation of its ability to expand capacity, and to allow PACE programs to enroll more than 10 new members per month to address unmet demand. Executive deletes. House retains current law.

INFORMATION TECHNOLOGY

Sec. 1906. Michigan Statewide Automated Child Welfare Information System Workgroup – NEW

House includes new section requiring the department to collaborate with various entities to establish a MiSACWIS work group; provides for the director of the department of technology, management, and budget, or his or her designee, to act as the chair of the work group; requires the work group via the department to report no later than February 1 on recommendations regarding the continuation of MiSACWIS; and requires the department to expend or encumber only funds from the Michigan Statewide Automated Child Welfare Information System line item in Part 1 on MiSACWIS operations, maintenance, and improvements.