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**FY 2007-08 APPROPRIATION REPORT  
DEPARTMENT OF COMMUNITY HEALTH  
Public Act No. 123 of 2007  
And FY 2006-07 Supplemental Actions**

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DEPARTMENT OF COMMUNITY HEALTH  
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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. Also included is funding for Health Policy, Regulation, and Professions, Office of Drug Control Policy, Office of Services to the Aging, and Crime Victim Services Commission. **Public Act 123 of 2007** is the appropriation act for the Department of Community Health in FY 2007-08 that includes authorized funding totaling \$12.0 billion, of which \$3.1 billion is from GF/GP revenues. Highlights of Public Act 123 and changes from the prior fiscal year follow.

### **1. *Economic Adjustments***

A funding adjustment of \$26,177,900 Gross (\$9,798,800 GF/GP) is included in the budget to finance a 2.9% increase for the Director and other unclassified positions, 4.0% salary and wage increase for non-bargaining and unionized employees and economic adjustments for defined benefit and contribution retirement, insurance, building occupancy, food, worker's compensation, gas, fuel, and utility costs for FY 2007-08.

### **2. *Worker's Compensation Program***

The budget reduces funding for the Worker's Compensation Program by \$1,775,000 Gross (all GF/GP) based on historical and projected future costs.

### **3. *Actuarially Sound Capitation Rates***

Capitation payment rates for Health Plan Services and Medicaid Mental Health and Substance Abuse Services are respectively increased by 4.2% and 2.5% (\$130,141,100 Gross, \$51,988,700 GF/GP) to ensure that rates are actuarially sound in FY 2007-08.

### **4. *Community Mental Health Direct Care Worker Increase***

The budget adds \$7.3 million Gross (\$3,710,400 GF/GP) to fully finance the FY 2006-07 2.0% wage increase for direct care workers in community mental health settings. (Sec. 405)

**5. Mental Health Outpatient Teams**

The budget adds \$1.0 million for two additional mental health outpatient teams for the Department of Corrections based on a caseload growth of 961 from October 2005 to December 2006. The enacted bill also includes an additional \$559,300 to correspond to the amount included in the Department of Corrections (DOC) budget for Forensic Mental Health Services provided to the DOC. The legislative intent for Forensic Mental Health Services Provided to the DOC is different for the Department of Community Health and Corrections budgets.

**6. Quality Assurance Assessment Program (QAAP) Changes**

An additional \$20,925,300 Gross is included in the budget to increase Medicaid hospital QAAP payments to the upper payment limit. The increase is funded with \$8.8 million of hospital QAAP revenue along with Medicaid matching funds. An additional \$21,434,900 GF/GP is also included in the budget for Health Plans and CMHSPs to offset reductions in QAAP fee revenue that has been lowered through federal legislation from 6.0% to 5.5%, effective January 1, 2008.

**7. Criminal Background Check Program**

A future loss in the federal pilot grant revenue for the Criminal Background Check Program for employees of health facilities is offset by utilizing \$3,401,500 health systems fees and collections and \$1,072,900 federal Medicaid revenue. The use of health systems fees and collections for this program requires changes to the Public Health Code.

**8. Primary Care Services**

The budget adds \$150,000 for Bay Mills Health Center that serves low-income and uninsured populations, \$150,000 for rural health services, and \$60,000 for tribal elders programs of 12 Michigan tribes.

**9. Office of Long-Term Care Supports and Services**

Included in the budget is \$2,713,800 Gross (\$542,500 GF/GP) for the Office of Long-Term Care Supports and Services created by Executive Order 2005-14. The Office is charged with the following responsibilities: administer activities to implement recommendations of Michigan's Long-Term Care Task Force; coordinate state planning for long-term care supports and services; and conduct quality assurance reviews of publicly funded long-term care programs.

**10. Multicultural Services**

Added to the budget is \$600,000 Gross (all GF/GP) to the Multicultural Services line item which is to be equally distributed to ACCESS, Arab/Chaldean, Jewish Federation of Metropolitan Detroit, and Chaldean Chamber Foundation.

### **11. Healthy Michigan Fund Adjustments**

Prior year Healthy Michigan Fund appropriations are maintained for 25 of 29 disease prevention projects. \$887,800 of the Healthy Michigan Fund allocation for Medicaid services is replaced with GF/GP funds, and funding to four programs is reduced by \$900,000: pregnancy prevention and family planning, early hearing detection and screening, and informed consent materials reimbursement, in order to recognize a \$1.8 million reduction of available Fund revenue and to finance economic adjustments totaling \$64,400. The total FY 2007-08 Healthy Michigan Fund appropriation is \$41,827,600.

### **12. Public Health Prevention Block Grant**

The budget recognizes a 19.0% continued reduction of \$863,200 for the ongoing federal Preventive Health and Health Services Block Grant that affects the following prevention programs: minority health grants, emergency medical services grants, primary care services, AIDS counseling and testing, sexually transmitted disease control, laboratory services, Alzheimer's information network, chronic disease prevention, diabetes and kidney program, and pregnancy prevention. The total FY 2007-08 Block Grant appropriation is \$3,670,800.

### **13. Public Health Reimbursement Increases from Federal Medicaid**

Additional federal Medicaid revenue for public health is recognized in the budget including \$188,000 for vital records, \$890,000 for local health department Medicaid outreach costs, and \$600,000 for infant mortality projects, reflecting local and state efforts to maximize federal Medicaid matching funds for qualified public health expenditures.

### **14. Women, Infants, and Children (WIC) Program**

Federal funds are increased for the WIC supplemental food program and administration by \$15.7 million, including food costs, electronic benefits programming, and WIC breastfeeding peer counseling.

### **15. Drug Control Reductions**

The GF/GP funding increase from FY 2006-07 of \$1,235,100 is eliminated in the FY 2007-08 budget for anti-drug abuse grants. The budget recognizes \$6,658,100 of continued federal funding reductions for drug control and anti-drug abuse grants and programs including law enforcement support, drug abuse prevention education, and residential substance abuse treatment programs. Federal grants are reduced by 58.4% since FY 2005-06.

**16. New Grants from Crime Victim's Rights Fund to Departments of Human Services and State Police**

The budget appropriates \$2.3 million of state restricted Crime Victim's Rights Fund available balance for interdepartmental grants of \$1.3 million to Department of Human Services for services for rape and sexual assault victims, and \$1.0 million to Department of State Police for costs for the sex offender registry, amber alert missing child notification system, polygraph tests, and forensic science expert witness testimony programs. Statutory revisions, as offered in HB 5355, are required for these appropriations.

**17. Michigan Health Information Technology Project**

The Health Information Technology Initiatives line is reduced by \$4.5 million Gross (\$2,250,000 GF/GP) recognizing the elimination of a health information technology project in Southeast Michigan.

**18. MIChoice Program Expansion**

The Medicaid Home- and Community-Based Services Waiver line is increased by \$5.0 million Gross (\$2,095,000 GF/GP) to support expansion of the MIChoice program.

**19. Medicaid Estate Recovery Program**

The Long-Term Care Services line is reduced by \$10,090,700 Gross (\$4,235,400 GF/GP) representing savings generated by the recent statutory change which created a Medicaid long-term care estate recovery program.

**20. Adult Home Help Wage Increases**

The Adult Home Help Services line is increased by \$5,953,000 Gross (\$2,482,700 GF/GP) to recognize the statutory increase in the minimum hourly wage for adult home help workers and to assure that all workers receive no less than \$7.50 per hour as of April 1, 2008. These Gross increases are \$3.6 million and \$2.4 million respectively.

**21. Medicaid Citizenship Verification Requirements**

Savings of \$33,412,800 Gross (\$14.0 million GF/GP) are realized from implementation of new citizenship verification requirements for Medicaid eligibility authorized by the Federal Deficit Reduction Act.

**22. Increase Guardianship Fee Maximum to \$60 Monthly**

The Long-Term Care Services line item is increased by \$540,000 Gross (\$226,300 GF/GP) to fund the increase of the maximum allowable monthly guardian charges from \$45 to \$60.

### **23. Medicaid Adjustments**

Medicaid funding levels in multiple appropriation lines are adjusted with an increase of \$496,061,700 Gross (\$250,676,400 GF/GP) to reflect the original FY 2007-08 Executive Recommendation and consensus FY 2007-08 expenditures agreed to by the House and Senate Fiscal Agencies and the State Budget Office in May, and adjusted in September. The adjustments reflect caseload changes, shifts in funding sources and the transfers of anti-psychotic and anti-depressant funding between line items.

### **24. Healthy Kids Dental Expansion**

The Dental Services line is increased by \$2,625,300 Gross (\$1.1 million GF/GP) to expand the Healthy Kids Dental program. New boilerplate Sec. 1633 language expands the program to Genesee and Saginaw counties.

### **25. Third Party Liability Savings**

Savings of \$3,747,000 Gross (\$1,570,000 GF/GP) are included representing additional Medicaid recovery and cost avoidance measures by the Department.

### **26. Shift Foster Care Children to Managed Care**

Savings of \$1,749,900 Gross (\$733,200 GF/GP) are assumed due to the establishment of a program to enroll all Michigan children in foster care in a Medicaid HMO on or before July 1, 2008.

### **27. Medicaid Special Financing Savings**

The Hospital Quality Assurance Assessment Program (QAAP) revenue is increased by \$60.0 million of which \$17,450,000 will be retained by the State to offset GF/GP. The balance of the restricted revenue will be used to match Federal Medicaid funds, and the Gross amount of \$101,646,800 million will be returned to hospitals as a Disproportionate Share Hospital (DSH) payment pursuant to Sec. 1778 of boilerplate.

### **FY 2006-07 Funding Adjustments**

Four supplemental funding adjustments have been made to the enacted FY 2006-07 Community Health budget, **Executive Order 2007-3, Public Act 7 of 2007, Public Act 17 of 2007, and Public Act 41 of 2007.**

**Executive Order 2007-3** was approved by the Senate Appropriations Committee on March 22, 2007 and approved by the House Appropriations Committee on March 29, 2007. Implementation of the Executive Order resulted in funding for the



Department of Community Health being reduced by \$48,143,300 Gross (\$33,160,000 GF/GP) in FY 2006-07. The GF/GP support for Information Technology Services and Projects is reduced by \$2,700 in which the savings are achieved through administrative efficiencies. Savings of \$6,225,800 GF/GP are achieved through the revaluation and recalculation of defined benefit retirement rate for state employees and savings of \$2,435,900 GF/GP are realized by changing the contribution to the health advance subaccount for the defined benefit retirement program for state employees. Funding for the Worker's Compensation Program line item is reduced by \$864,600 Gross (all GF/GP) based upon historical costs and projected future costs for this program. The Hospital Services and Therapy line item is reduced by \$5.0 million Gross (\$2,181,000 GF/GP) recognizing partial year savings in implementing the new Outpatient Prospective Payment System. This system makes Medicaid billing compatible with Medicare, and as a result, Medicaid is no longer required to pay outpatient co-payments for Medicare dual eligibles. The GF/GP funding for the Health Plan Services appropriation line is reduced by \$12.5 million. This reduction is offset by available Medicaid Benefits Trust Fund revenue included in Public Act 17 of 2007. The GF/GP funding for the Health Information Technology Initiatives appropriation line is reduced by \$7,250,000. This reduction is offset by available Health Professions Regulatory Fund revenue included in Public Act 7 of 2007. Financing the health information technology project with Health Professional Regulatory Fund revenue required a statutory change to the Public Health Code. The statutory change is embodied in Public Act 166 of 2007 (House Bill 5354). Funds for the Long-Term Care Services line item are reduced by \$3,897,300 Gross (\$1.7 million GF/GP) to recognizing savings generated by statutory changes creating a Medicaid Long-Term Care Estate Recovery Program.

**Public Act 7 of 2007** (Senate Bill 404) enacted in May of 2007 provides supplemental FY 2006-07 appropriations totaling \$7.5 million Gross (\$0 GF/GP). The state restricted Health Professional Regulatory Fund revenue for the Health Information Technology Initiatives line is increased by \$7,250,000 offsetting the Executive Order 2007-3 GF/GP reduction for this line. The Special Projects appropriation for family, maternal and children's health is increased by \$250,000 to recognize a private grant from Delta Dental Corporation that will fund dental sealants for oral health programs for low-income children.

**Public Act 17 of 2007** (Senate Bill 436) enacted in June of 2007 includes negative supplemental FY 2006-07 appropriations of \$61,176,000 Gross and positive appropriations of \$95,735,900 GF/GP. Funds for the Medicaid Mental Health Services line item are increased by \$6,624,500 Gross (\$2,492,100 GF/GP) based on projected mental health caseload spending for FY 2006-07. Funds for the Medicaid Mental Health Services appropriation are reduced by \$4,742,600 Gross and increased by \$2,673,900 GF/GP since savings were not realized in the carve-in of anti-psychotic prescription drugs costs into Prepaid Inpatient Health Plans (PIHPs) capitation rates. The FY 2006-07 transfer of anti-psychotic pharmaceutical costs to capitation payments for PIHPs was not approved by the federal government. The funding for the Medicaid Substance Abuse Services line item are reduced by \$1,103,100 Gross (\$415,000 GF/GP) to

reflect projected substance abuse caseload spending for FY 2006-07. Healthy Michigan funds to 21 public health programs and projects are reduced by 25.0% or less totaling \$3,164,200; the HMF savings are utilized to offset Medicaid GF/GP costs in the same amount. Among the HMF programs affected are immunizations, dementia, cancer, arthritis, dental, diabetes, smoking, childhood lead, infant mortality, cardiovascular, osteoporosis, and family planning and pregnancy prevention.

The act appropriates \$15,670,000 Gross (all GF/GP) for the purchase of antiviral drugs stockpiled pursuant to federal goals as part of national preparedness for a pandemic flu outbreak. The federal government subsidizes 25% of the state's cost. Together state and federal purchases allow for the treatment of 25% of the state's population with 2 antiviral drugs known to be currently effective against the H5N1 virus. The act appropriates \$1.3 million of state restricted Crime Victim's Rights Fund available balance which is provided as an interdepartmental grant to the Department of Human Services for services for rape and sexual assault victims, replacing federal TANF funds. This use of the Crime Victim's Rights Fund requires statutory changes. Both the Hospital Services and Therapy and Health Plan Services line items are increased by \$2,325,000 Gross (\$1,014,150 GF/GP) recognizing that only 1/4 of the health information technology savings built into the FY 2006-07 budget will be realized. Funds for the Long-Term Care Services line are reduced by \$46.0 million Gross (\$20,065,200 GF/GP) due to lower caseload, utilization, and inflation projections. An \$86.0 million lapse in this line occurred in FY 2005-06 book closing, of which \$40.0 million was attributable to one-time costs. The state restricted Medicaid Benefits Trust Fund authorization within the Health Plan Services appropriation line is increased by \$12.5 million. The Executive Order 2007-3 reduced this line by a like amount of GF/GP.

Funding of \$50.0 million Gross (\$21.5 million GF/GP) is restored to the Health Plan Services line relative to changes in the federal law allowing fee-for-service level rebates for drugs paid through HMOs that have not yet occurred. An increase of \$1,554,000 GF/GP and reduced federal and state restricted QAAP authorization of \$4,310,300 is included in the act for the Health Plan Services line recognizing the loss of savings in the HMO QAAP due to the delayed implementation of the carve-in of anti-depressants into HMOs. Funding for the Health Plan Services line is increased by \$243,400 Gross (\$6,653,000 GF/GP) as the Plan First! family planning program will not be fully implemented in FY 2006-07. The GF/GP authorization for Health Plan Services is increased by \$2.5 million recognizing unrealized QAAP and federal Medicaid revenue savings of \$81,524,400 that would have been generated by distributing additional hospital QAAP payments through HMOs. Implementation of this distribution did not begin until January 2007. An additional \$150,000 Gross (\$65,400 GF/GP) is included in the act for the Hospital Services and Therapy line recognizing unrealized emergency room co-pay savings from increasing the co-payment for a non-emergent visit from \$3 to \$6. Funding of \$135,000 Gross (\$58,900 GF/GP) is restored to the Long-Term Care Service line recognizing a 3/4 year implementation of the policy change to lower the monthly guardianship fee from \$60 to \$45. Savings of \$14,808,300 Gross (\$6,459,400 GF/GP) are

included in the supplemental act for the Hospital Services and Therapy and Long-Term Care Services lines. These savings are generated when the state retains an additional \$3,229,700 of both hospital and nursing home QAAP revenue.

The GF/GP authorization for Health Plan Services is increased by \$845,700 recognizing unrealized QAAP and federal Medicaid revenue savings of \$2,345,700 that would be generated by distributing certain GME hospital payments through HMOs. Funding of \$650,000 Gross (\$198,400 GF/GP) is restored to the MIChild Program line recognizing half year implementation of the policy change to increase the MIChild premium from \$5 per family to \$10 per family. Funds for the Health Plan Services line item are increased by \$69.6 million GF/GP to offset a reduction in available Merit Award Trust Fund revenue. A \$4.0 million reduction in Medicaid special financing savings within the Special Medicaid Reimbursement appropriation line is offset with a like amount of hospital QAAP revenue.

**Public Act 41 of 2007** (House Bill 4493) enacted in July of 2007 provides supplemental FY 2006-07 appropriations totaling \$306,732,300 Gross (\$142,669,900 GF/GP). The act appropriates \$238,987,500 Gross (\$126,224,200 GF/GP) for multiple appropriation lines to reflect the Medicaid consensus FY 2006-07 expenditures agreed to by the House and Senate Fiscal Agencies, and the State Budget Office. Funds for the Medicaid Mental Health Services and Community Mental Health Non-Medicaid Services line items are increased by \$7.3 million Gross (\$3,806,700 GF/GP) to fully fund the 2.0% wage increase for direct care workers in community mental health settings as \$10.4 million Gross (\$4.5 million GF/GP) was insufficient to cover the wage increase. The act recognizes \$700,000 of a new 3-year grant from the W.K. Kellogg Foundation for middle school student-led programs in underserved communities to improve health related behaviors and address health disparities as a new Promotion of Healthy Behaviors appropriation line item. The act appropriates \$2.5 million and adds 3.0 FTEs to the Vital Records and Health Statistics line to recognize a new federal Medicaid Transformation grant to enhance the state vital records system and interfaces, providing benefit to the Medicaid program of improved speed and accuracy of validation of vital events and citizenship for eligibility determination. The act appropriates \$3.1 million and adds 5.0 FTEs to the Health Professions line to recognize a new federal Medicaid Transformation grant for the development of a "one source" credentialing database for licensed health care professionals and facilities. State restricted Healthy Michigan funds of \$25,000 are provided for the Morris Hood Wayne State University diabetes outreach program by reducing Healthy Michigan funds appropriated to the Pregnancy Prevention Program by a like amount.

An additional \$10,713,000 of federal grant funds for the Special Supplemental Nutrition Program for Women, Infants, and Children is available: \$10.0 million for food costs based on increases in caseload and food prices, and \$713,000 for administration. State restricted Crime Victim's Rights Fund monies in the amount of \$1,033,200 are appropriated for an interdepartmental grant to the Department of State Police, to replace GF/GP, for costs for the sex offender registry, amber

alert missing child notification system, polygraph tests, and forensic science expert witness testimony program. Statutory revisions are required for these new uses of the Fund. The authorization for the Hospital Services and Therapy line is increased by \$23.4 million Gross (\$0 GF/GP) to increase Medicaid Access to Care Initiative (MACI) payments to hospitals up to the upper payment limit. The increase is funded with \$10,207,100 of state restricted QAAP revenue and federal Medicaid matching funds of \$13,192,900. The authorization for the Hospital Services and Therapy line item is increased by \$7,404,200 Gross (\$3,229,700 GF/GP) reversing a reduction that was included in Public Act 17 of 2007 authorizing the state to retain \$3,229,700 of hospital QAAP revenue. The authorization for the Long-Term Care Services line is increased by \$7,404,200 Gross (\$3,229,700 GF/GP) reversing a reduction that was included in Public Act 17 of 2007 authorizing the state to retain \$3,229,700 of nursing home QAAP revenue.

The Pharmaceutical Services line is increased by \$235,810,700 resulting from the transfer of \$149,136,400 Gross (\$65,053,300 GF/GP) from the Medicaid Mental Health Services line and \$86,674,300 Gross (\$37,807,300 GF/GP) from the Health Plan Services line. The carve-ins for anti-depressants and anti-psychotics were anticipated to generate additional provider assessment revenue, thereby generating GF/GP savings. However, federal approval of the carve-ins did not occur. The Medicaid Home and Community-Based Services Waiver line is increased by \$17,644,300 Gross (\$7,689,400 GF/GP) resulting from the transfer of this funding from Long-Term Care Services line. The increase to the Medicaid-Home and Community-Based Services line will support additional transitions from nursing homes to home or community-based settings. The supplemental includes various revenue source adjustments within the Medical Services appropriation unit resulting in an increase of \$4,190,200 Gross (\$6,179,600 GF/GP). Included in the revenue adjustments are Merit Award Trust Fund savings of \$24,758,000, retroactive special financing savings of \$2,362,400, shortfall of \$12.0 million state restricted revenue due to lower certified public expenditures, and \$21.3 million shortfall of Medicaid Benefits Trust Fund revenue.

		FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	
	FY 2006-07	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	YEAR-TO-DATE	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>DEPARTMENT OF COMMUNITY HEALTH</b>							
APPROPRIATION SUMMARY:							
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Full-time equated classified positions	4,658.1	4,655.2	4,745.2	4,671.6	4,651.0	4,761.6	4,761.6
Average population	1,109.0	1,109.0	1,109.0	1,109.0	1,109.0	1,109.0	1,109.0
<b>GROSS APPROPRIATION</b>	<b>11,196,157,400</b>	<b>11,538,938,600</b>	<b>11,968,716,800</b>	<b>11,879,614,800</b>	<b>11,630,341,700</b>	<b>12,048,326,100</b>	<b>12,048,326,100</b>
Interdepartmental grant revenues:							
Total interdepartmental grants and intradepartmental tra	37,286,100	38,850,900	38,850,900	39,966,900	38,850,900	39,410,200	39,410,200
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>11,158,871,300</b>	<b>11,500,087,700</b>	<b>11,929,865,900</b>	<b>11,839,647,900</b>	<b>11,591,490,800</b>	<b>12,008,915,900</b>	<b>12,008,915,900</b>
Federal revenues:							
Total federal revenues	6,042,584,700	6,440,613,100	6,656,090,400	6,600,405,500	6,486,398,100	6,708,510,700	6,708,510,700
Special revenue funds:							
Total local revenues	241,177,400	246,671,500	247,232,400	246,671,500	246,671,500	247,237,400	247,237,400
Total private revenues	63,826,900	64,702,800	64,702,800	65,519,800	65,702,800	65,519,800	65,519,800
Merit award trust fund	175,800,000	161,900,000	144,000,000	144,000,000	144,000,000	144,000,000	144,000,000
Total other state restricted revenues	1,695,399,600	1,587,709,600	1,653,066,000	1,582,469,100	1,582,584,100	1,718,336,400	1,718,336,400
State general fund/general purpose	2,940,082,700	2,998,490,700	3,164,774,300	3,200,582,000	3,066,134,300	3,125,311,600	3,125,311,600
<i>NOTE: Regarding Senate Recommendation: The Senate passed HB 4344 with \$0 appropriation in Part 1 on 9/6/07; these spreadsheets reflect Part 1 appropriations from SB 511 Omnibus, Article 3, passed by the Senate on 9/23/07.</i>							

## **DEPARTMENTWIDE ADMINISTRATION**

Funds for the Director and Other Unclassified appropriation are increased by \$17,100 Gross (all GF/GP) based on a decision of Leadership. This adjustment represents an increase of 2.9% over the FY 2006-07 appropriation.

Funding for the Community Health Advisory Council appropriation (\$7,000 GF/GP) is eliminated in recognition of Executive Order 2007-16 which abolished the Council.

Funding for the Departmental Administration and Management line item is reduced by \$98,500 Gross (all GF/GP) to reflect elimination of early out sick leave payments funded between FY 2002-03 and FY 2006-07. Funds for the Departmental Administration and Management line item are increased by \$575,100 Gross (\$371,900 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supported by the Departmental Administration and Management line item are increased by \$535,200 Gross (\$346,000 GF/GP). Employees' defined contribution retirement costs supported by the Departmental Administration and Management line item are reduced by \$230,000 Gross (\$148,600 GF/GP). Employees' insurance costs supported by the Departmental Administration and Management line item are increased by \$193,000 Gross (\$122,400 GF/GP). Funds for the Departmental Administration and Management line item are reduced by \$242,000 Gross (\$196,000 GF/GP) to reflect administrative savings that will be achieved through eliminating staff positions, and reducing CSS&M, contracts, and travel. Specific reductions had not been determined during budget deliberations. Contractual savings of \$658,900 Gross (all GF/GP) realized from the Auxiliary Medical Services line item are transferred to the Departmental Administration and Management line item. Savings were realized by reducing the fee screen to eliminate co-pays, for nursing homes, and to below Medicare for enteral formula and diabetes strips.

Funds and FTE positions totaling \$412,000 Gross (\$206,000 GF/GP) and 4.0, respectively, are transferred from the Medical Services Administration line item to the newly created Office of Long-Term Care Supports and Services line item. The Office, among other things, is charged with implementing Michigan's Long-Term Task Force recommendations. Funds and FTE positions totaling \$163,300 Gross (\$77,300 GF/GP) and 2.0, respectively, are transferred from the Mental Health/Substance Abuse Program Administration line item to the Office of Long-Term Care Supports and Services line item. Funds and FTE positions totaling \$113,000 Gross (\$56,500 GF/GP) and 1.0, respectively, are transferred from the State Budget Office to the Office of Long-Term Care Supports and Services line item. A \$100,000 federal Mental Health Systems Transformation grant supporting the Federal and Other Special Projects line item is transferred to the Office of Long-Term Care Supports and Services line item. A \$250,000 federal Aging and Disability Resource Center grant

supporting the Federal and Other Special Projects line item is transferred to the Office of Long-Term Care Supports and Services line item.

A \$40,100 Robert Woods Johnson Cash and Counseling grant is recognized. This private grant supports the Office of Long-Term Care Supports and Services and will be used to establish "Cash and Counseling" methods of self-determination as a service option for participants in Michigan's elderly and disabled waiver. "Cash and Counseling" is a Medicaid program that allows elderly and disabled beneficiaries to use Medicaid dollars to buy goods and services that will help them live at home and in the community rather than in an institution. Funding for 4.0 FTE positions (\$405,400 Gross, \$202,700 GF/GP) is added to the Office of Long-Term Care Supports and Services line item. The staff positions are financed from nursing home transition savings. A \$125,000 federal Independence Plus Initiative grant is recognized. This federal grant which supports one FTE position within the Office of Long-Term Care Supports and Services will be used to focus on developing system-wide capacity that supports consumer choice through person-centered planning and self-determination. A \$130,000 federal MI Money Follows the Person Initiative grant is recognized. This federal grant which supports one FTE position within the Office of Long-Term Care Supports and Services will be used to engage stakeholders in developing a model for pre-paid long-term care managed program in the state. A \$475,000 federal MI Long-Term Care System Transformation grant is recognized. The purpose of this federal grant which supports two FTE positions within the Office of Long-Term Care Supports and Services will be used to build an integrated and responsive long-term care system. A \$500,000 federal Medicaid Infrastructure grant is recognized. This federal grant which supports five FTE positions within the Office of Long-Term Care Supports and Services will be used to remove systematic barriers to employment for individuals in the workforce based upon their personal goals and choices.

Funding for the Worker's Compensation Program appropriation is reduced by \$1,775,000 Gross (all GF/GP) based primarily upon historical costs, average expenditures from FY 2000-01 through FY 2005-06, and projected future costs. This adjustment represents a reduction of 16.77% from the FY 2006-07 original GF/GP appropriation of \$10,584,000.

As an economic adjustment, the Rent and Building Occupancy charges are reduced by \$265,500 Gross (\$152,900 GF/GP). Funds totaling \$568,900 Gross (all GF/GP) are transferred from the Rent and Building Occupancy line item to the Information Technology Services and Projects line item for the rental costs associated with the Chandler Building. The originating agency for these costs is the Department of Information and Technology.

Funding for the Developmental Disabilities Council and Projects appropriation is increased by \$24,700 Gross (\$0 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supported by the Developmental Disabilities Council and Projects appropriation are

increased by \$25,200 Gross (\$0 GF/GP). Employees' defined contribution retirement costs supported by the Developmental Disabilities Council and Projects appropriation are reduced by \$11,300 Gross (\$0 GF/GP). Employees' insurance costs supported by the Developmental Disabilities Council and Projects appropriation are increased by \$9,600 Gross (\$0 GF/GP).

Funds for the Human Resources Optimization User Charges line item are increased by \$7,900 Gross (all GF/GP) to reflect work done by the Department of Civil Service's Human Resources Call Center on behalf of employees of the Department of Community Health.

### **FY 2006-07 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2007-3**

Funds for the Departmental Administration and Management line item are reduced by \$853,400 Gross (\$781,000 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Worker's Compensation Program line item are reduced by \$864,600 Gross (all GF/GP) based upon historical costs and projected future costs for this program.

Funds for the Developmental Disabilities Council and Projects line item are reduced by \$18,800 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.



	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 102. DEPARTMENTWIDE ADMINISTRATION</b>							
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Full-time equated classified positions	208.0	226.5	226.5	226.5	226.5	226.5	226.5
Director and other unclassified--* FTE positions	581,500	581,500	581,500	581,500	581,500	598,600	598,600
* positions in above line	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Community health advisory council	7,000	7,000	7,000	7,000	0	0	0
Departmental administration and management--* FTE p	22,489,900	23,881,600	23,881,600	23,881,600	23,881,600	23,881,600	23,881,600
* positions in above line	198.0	198.0	198.0	198.0	198.0	198.0	198.0
Office of long term care supports and services--* FTE p	0	2,713,800	2,713,800	2,713,800	2,713,800	2,713,800	2,713,800
* positions in above line	0.0	18.5	18.5	18.5	18.5	18.5	18.5
Worker's compensation program	10,600,000	9,706,000	9,706,000	9,356,000	9,356,000	8,825,000	8,825,000
Human resources optimization user charges	277,600	285,500	285,500	285,500	285,500	285,500	285,500
Rent and building occupancy	10,877,700	10,043,300	10,043,300	10,043,300	10,043,300	10,043,300	10,043,300
Developmental disabilities council and projects--* FTE p	2,724,000	2,772,200	2,772,200	2,772,200	2,772,200	2,772,200	2,772,200
* positions in above line	10.0	10.0	10.0	10.0	10.0	10.0	10.0
GROSS APPROPRIATION	47,557,700	49,990,900	49,990,900	49,640,900	49,633,900	49,120,000	49,120,000
Appropriated from:							
Federal revenues:							
Total federal revenues	11,694,000	14,083,900	14,083,900	14,083,900	14,083,900	14,083,900	14,083,900
Special revenue funds:							
Total private revenues	35,900	76,000	76,000	76,000	76,000	76,000	76,000
Total other state restricted revenues	3,488,400	3,500,900	3,500,900	3,500,900	3,500,900	3,500,900	3,500,900
State general fund/general purpose	32,339,400	32,330,100	32,330,100	31,980,100	31,973,100	31,459,200	31,459,200

# **MENTAL HEALTH**

	FY 2006-07	FY 2007-08 EXECUTIVE	FY 2007-08 REVISED EXEC.	FY 2007-08 HOUSE	FY 2007-08 SENATE	FY 2007-08 ENROLLED	FY 2007-08
FY 2007-08	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	YEAR-TO-DATE	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>MENTAL HEALTH APPROPRIATION SUMMARY:</b>							
Full-time equated classified positions	3,022.8	2,987.8	3,077.8	2,987.8	2,987.8	3,077.8	3,077.8
Average population	1,109.0	1,109.0	1,109.0	1,109.0	1,109.0	1,109.0	1,109.0
GROSS APPROPRIATION	2,789,701,700	2,899,728,900	2,748,814,400	2,759,300,600	2,731,874,500	2,749,450,400	2,749,450,400
Interdepartmental grant revenues:							
IDG-department of corrections	36,018,600	37,548,900	37,548,900	38,664,900	37,548,900	38,108,200	38,108,200
Total interdepartmental grants and intradepartmental tra	36,018,600	37,548,900	37,548,900	38,664,900	37,548,900	38,108,200	38,108,200
ADJUSTED GROSS APPROPRIATION	2,753,683,100	2,862,180,000	2,711,265,500	2,720,635,700	2,694,325,600	2,711,342,200	2,711,342,200
Federal revenues:							
Total federal revenues	1,231,924,900	1,319,123,000	1,225,393,100	1,225,393,100	1,220,823,100	1,224,909,700	1,224,909,700
Special revenue funds:							
Total local revenues	170,302,000	178,844,900	179,405,800	178,844,900	178,844,900	179,405,800	179,405,800
Total private revenues	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000
Total other state restricted revenues	125,938,200	121,742,200	121,783,200	121,142,200	121,142,200	121,783,200	121,783,200
State general fund/general purpose	1,224,328,000	1,241,279,900	1,183,493,400	1,194,065,500	1,172,325,400	1,184,053,500	1,184,053,500

## **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

Funds for the Mental Health/Substance Abuse Program Administration line item are reduced by \$113,400 Gross (\$0 GF/GP) to reflect elimination of the federal State Incentive grant which has expired. The funds supported the administration of this FY 2003-04 federal grant used by coordinating agencies to better identify, coordinate, and allocate resources to address substance abuse problems. Funds totaling \$658,900 Gross (all GF/GP) were transferred from the Civil Services Charges and Closed Site, Transition, and Related Costs line items to the Mental Health/Substance Abuse Program Administration line item. This transfer reflects savings realized from the sale of closed sites and lower than projected FY 2005-06 civil service charges. Funds and FTE positions totaling \$163,300 Gross (\$77,300 GF/GP) and 2.0, respectively, were transferred to the newly created Office of Long-Term Care Supports and Services line item from the Mental Health/Substance Abuse Program Administration line item. The Office, among other things, is charged with implementing Michigan's Long-Term Care Task Force recommendations. The early out retirement sick leave payments of \$66,800 Gross (all GF/GP) funded between FY 2002-03 and FY 2006-07 are eliminated from the Mental Health/Substance Abuse Program Administration line item. Funds for the Mental Health/Substance Abuse Program Administration line item are reduced by \$158,000 Gross (all GF/GP) to reflect administrative savings that will be achieved through eliminating staff positions, and reducing CSS&M, contracts, and travel. Specific reductions had not been determined during budget deliberations.

Funding for the Mental Health/Substance Abuse Program Administration line item is increased by \$290,900 Gross (\$225,600 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supported by the Mental Health/Substance Abuse Program Administration line item are increased by \$264,200 Gross (\$205,300 GF/GP). Employees' defined contribution retirement costs supported by the Mental Health/Substance Abuse Program Administration line item are reduced by \$112,000 Gross (\$85,100 GF/GP). Employee's insurance costs supported by the Mental Health/Substance Abuse Program Administration line item are increased by \$101,400 Gross (\$82,000 GF/GP). Funds for the Mental Health/Substance Abuse Program Administration line item are increased by \$50,000 Gross (all GF/GP) for a reverse 911 program in a community hosting a mental health facility. Funding for the Mental Health/Substance Abuse Program Administration line item is increased by \$150,000 Gross (all GF/GP) for a study on administrative efficiencies, shared services, and consolidations of CMHSPs, local public health departments, coordinating agencies on substance abuse, and area agencies on aging.

The enacted budget includes no changes for the Consumer Involvement Program line item.

The enacted budget includes no changes to the Gambling Addiction appropriation.

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

The enacted budget includes no changes to the Mental Health Initiatives for Older Persons line item.

Funds totaling \$93,800 Gross (all GF/GP) are transferred from the Community Residential and Support Services line item to the Community Mental Health Non-Medicaid Services line item for the costs of 4 residential leases in Oakland County that expired. The GF/GP support for the Community Residential and Support Services line item is reduced by \$100,000 with a corresponding increase in federal oil/gas royalty revenue.

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

The \$75,000 federal Health Systems Development Child Care grant supporting the Federal and Other Special Projects appropriation is eliminated since the grant has ended. The grant funds were used to provide training and technical assistance for special maternal and children mental health projects. Funding for the Federal and Other Special Projects line item is increased by \$1.8 million to recognize a federal Child Care Development Fund Expulsion Prevention grant. The federal grant will be used for the following: improve the quality and availability of child development and child care services; improve immunization levels; and provide mental health consultation services to licensed, registered, and enrolled child care providers in designated areas of Michigan that serve children aged 0-5 years old. A \$100,000 federal Mental Health System Transformation grant supporting the Federal and Other Special Projects line item is transferred to the newly created Office of Long-Term Care Supports and Services line item. This Office, among other things, is charged with implementing Michigan's Long-Term Care Task Force recommendations. A \$250,000 federal Aging and Disability Resource Center grant supporting the Federal and Other Special Projects line item is transferred to the Office of Long-Term Care Supports and Services line item.

The enacted budget includes no changes to the Family Support Subsidy line item.

An increase of \$1.3 million in the federal Shelter Plus Care grant supporting the Housing and Support Services line item is recognized. The federal grant provides housing to homeless and disabled individuals who have serious mental illness, chronic substance abuse/addiction problems, and/or HIV/AIDS related diseases. An increase of \$200,000 in the federal Supportive Housing grant supporting the Housing and Support Services line item is recognized. The federal grant provides housing and supportive services to homeless individuals and/or families that have serious mental illness, HIV/AIDS diseases, or developmental disabilities.

Funds for the Methamphetamine Cleanup Fund line item are reduced by \$75,000 Gross (all GF/GP). The funds cover administrative costs of local governments up to \$800.00 per property for their methamphetamine cleanup efforts.

### **FY 2006-07 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2007-3**

Funds for the Mental Health/Substance Abuse Program Administration line item are reduced by \$440,100 Gross (\$361,200 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Housing and Support Services line item are reduced by \$1,600 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH		(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS</b>							
Full-time equated classified positions	113.0	111.0	111.0	111.0	111.0	111.0	111.0
Mental health/substance abuse program administration-	12,507,600	13,209,500	13,209,500	13,209,500	13,009,500	13,409,500	13,409,500
* positions in above line	112.0	110.0	110.0	110.0	110.0	110.0	110.0
Consumer involvement program	189,100	189,100	189,100	189,100	189,100	189,100	189,100
Gambling addiction--* FTE positions	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Protection and advocacy services support	777,400	777,400	777,400	777,400	777,400	777,400	777,400
Mental health initiatives for older persons	1,291,200	1,291,200	1,291,200	1,291,200	1,291,200	1,291,200	1,291,200
Community residential and support services	2,906,800	2,713,000	2,713,000	2,713,000	2,713,000	2,713,000	2,713,000
Highway safety projects	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Federal and other special projects	1,902,200	3,277,200	3,277,200	3,277,200	3,277,200	3,277,200	3,277,200
Family support subsidy	19,036,000	19,036,000	19,036,000	19,036,000	19,036,000	19,036,000	19,036,000
Housing and support services	7,806,800	9,306,800	9,306,800	9,306,800	9,306,800	9,306,800	9,306,800
Methamphetamine cleanup fund	175,000	0	0	0	100,000	100,000	100,000
<b>GROSS APPROPRIATION</b>	<b>50,492,100</b>	<b>53,700,200</b>	<b>53,700,200</b>	<b>53,700,200</b>	<b>53,600,200</b>	<b>54,000,200</b>	<b>54,000,200</b>
Appropriated from:							
Federal revenues:							
Total federal revenues	32,185,100	35,077,400	35,077,400	35,077,400	34,977,400	35,077,400	35,077,400
Special revenue funds:							
Total private revenues	190,000	190,000	190,000	190,000	190,000	190,000	190,000
Total other state restricted revenues	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
State general fund/general purpose	14,617,000	14,932,800	14,932,800	14,932,800	14,932,800	15,232,800	15,232,800

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

The budget includes an increase of \$30,913,400 in federal Medicaid revenue supporting the Medicaid Mental Health Services appropriation, with a corresponding decrease in GF/GP, due to an increase in the Medicaid match rate from 56.38% to 58.10%. Funds for the Medicaid Mental Health Services appropriation are increased by \$6,624,500 Gross (\$2,378,200 GF/GP) anticipating an average caseload increase of 2.4% in the Medicaid eligibles caseload for FY 2006-07. Funds for the Medicaid Mental Health Services appropriation are increased by \$16,901,100 Gross (\$6,430,400 GF/GP) based on September 2007 Medicaid revenue consensus agreement. Funds for the Medicaid Mental Health Services appropriation are increased by \$41,903,500 Gross (\$15,043,300 GF/GP) to reflect a 2.5% capitation rate increase and ensure that rates are actuarially sound in FY 2007-08. As a technical adjustment, the QAAP authorization for the Medicaid Mental Health Services appropriation is reduced by \$1,258,300. Funds totaling \$149,136,400 Gross (\$62,488,200 GF/GP) are transferred from the Medicaid Mental Health Services appropriation to the Pharmaceutical Services line item as the FY 2006-07 transfer of anti-psychotic pharmaceutical costs to capitation payments for prepaid inpatient health plans (PIHPs) was not approved by the federal government. The enacted budget adds \$5.6 million Gross (\$2,010,400 GF/GP) to the Medicaid Mental Health Services appropriation to fully finance the FY 2006-07 2.0% economic increase for direct care workers in community mental health settings. Funding for the Medicaid Mental Health Services appropriation are reduced by \$4.5 million Gross (\$1.9 million GF/GP) due to the expansion of the Pharmacy Quality Improvement Program (PQIP) in FY 2007-08. The savings are then transferred to the Pharmaceutical Services as a technical adjustment. Funding for the Medicaid Mental Health Services appropriation is increased by \$8,670,000 GF/GP to offset a like amount reduction in QAAP revenue. Through federal legislation, the QAAP fee was lowered from 6.0% to 5.5%, effective January 1, 2008.

Funds totaling \$93,800 Gross (all GF/GP) are transferred from the Community Residential and Support Services line item to the Community Mental Health Non-Medicaid Services line item for the costs of 4 residential leases in Oakland County that expired. The authorization for Community Mental Health Non-Medicaid Services line item is increased by \$1.7 million Gross (all GF/GP) to fully finance the FY 2006-07 2.0% economic increase for direct care workers in community mental health settings.

The enacted budget includes an increase of \$480,000 in Title XXI revenue supporting the Medicaid Adult Benefits Waiver appropriation, with a corresponding decrease in GF/GP, due to an increase in the Title XXI match rate from 69.47% to 70.67%.



Funds for the Multicultural Services appropriation are increased by \$600,000 Gross (all GF/GP). These funds are to be equally distributed to ACCESS, Arab/Chaldean, Jewish Federation of Metropolitan Detroit, and Chaldean Chamber Foundation.

An increase of \$612,700 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 56.38% to 58.10%. As a technical adjustment, the QAAP authorization for the Medicaid Substance Abuse Services appropriation is reduced by \$22,500. Funds for the Medicaid Substance Abuse Services appropriation are reduced by \$1,103,100 Gross (\$396,000 GF/GP) to reflect an average caseload adjustment of 2.4% for FY 2006-07. Funds for the Medicaid Substance Abuse Services appropriation are increased by \$976,500 Gross (\$358,800 GF/GP) based on May 2007 Medicaid revenue consensus agreement. The appropriation for the Medicaid Substance Abuse Services line item is increased by \$904,700 Gross (\$324,800 GF/GP) to reflect a 2.5% capitation rate increase and ensure that rates are actuarially sound in FY 2007-08. Funding for the Medicaid Substance Abuse Services appropriation is increased by \$174,000 GF/GP to offset a like amount reduction in QAAP revenue. Through federal legislation, the QAAP fee was lowered from 6.0% to 5.5%, effective January 1, 2008.

The enacted budget includes no changes for the Respite Services line item.

The appropriation for the CMHSP, Purchase of State Services Contracts line item is reduced by \$1,057,300 Gross (all GF/GP) to reflect an increase in the federal Medicaid match rate from 56.38% to 58.10% for state psychiatric hospitals and center for persons with developmental disabilities. Funds for the CMHSP, Purchase of State Services Contracts line item are increased by \$2.5 million Gross (all GF/GP) to finance base adjustments for state hospitals and centers. (This adjustment corresponds to a \$4.5 million Gross increase at state hospitals and centers.) As in the past, the budget does not include adjustments to recognize days of care utilized by CMHSPs at state hospitals and centers. Options are being examined and evaluated by the Department of Community Health for funding state facilities. Funds for the CMHSP, Purchase of State Services Contracts appropriation are increased by \$297,000 Gross (all GF/GP) to finance a 5.0% inflationary increase in pharmacy costs for state hospitals and centers. (This adjustment corresponds to a \$399,900 Gross increase for state hospitals and centers.) Funding for the CMHSP, Purchase of State Services Contracts appropriation is reduced by \$86,400 Gross (all GF/GP). Additional Human Resources Optimization Gross savings of \$76,000 are anticipated at Hawthorn Center and \$76,000 at Caro Psychiatric Hospital based upon work activities of the Department of Civil Service's Human Resources Call Center. Funding for the CMHSP, Purchase of State Services Contracts line item is increased by \$5,904,500 Gross (all GF/GP) to finance 4.0% economic increase for employees' salary and wage costs, and economic adjustments for employees' defined benefit and contribution retirement costs,

insurance costs, food, gas, and fuel and utility costs at state facilities. (This adjustment corresponds to a net Gross increase of \$8,529,000 for state hospitals and centers.)

Funds totaling \$266,200 Gross (all GF/GP) are transferred from the Civil Service Charges line item to the Mental Health/Substance Abuse Program Administration and Omnibus Reconciliation Act Implementation line items. The savings were realized due to lower than projected FY 2005-06 civil service charges.

Funds for the Federal Mental Health Block Grant appropriation are increased by \$6,000 Gross (\$0 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Federal Mental Health Block Grant appropriation are increased by \$7,000 Gross (\$0 GF/GP). Employees' defined contribution retirement costs supporting the Federal Mental Health Block Grant appropriation are reduced by \$3,400 Gross (\$0 GF/GP). Employees' insurance costs supporting the Federal Mental Health Block Grant appropriation are increased by \$3,300 Gross (\$0 GF/GP).

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

The \$2,951,100 federal State Incentive grant supporting the Community Substance Abuse Prevention, Education, and Treatment Programs line item is eliminated since the grant has ended. The grant funds were originally included in the FY 2003-04 budget and used by coordinating agencies to better identify, coordinate, and allocate resources to address substance abuse problems. An increase of \$2.3 million in the federal Strategic Prevention Framework grant is recognized. This grant supporting the Community Substance Abuse Prevention, Education, and Treatment Programs line item will be used to build prevention capacity and infrastructure at the state and community levels for preventing the onset of and/or reducing the progression of substance abuse.

The federal Medicaid revenue supporting the Children's Waiver Home Care Program line item is increased by \$336,200, with a corresponding decrease in GF/GP, due to an increase in the Medicaid match rate from 56.38% to 58.10%.

The federal Medicaid revenue supporting the Omnibus Reconciliation Act Implementation line item is increased by \$15,500, with a corresponding decrease in GF/GP, due to an increase in the Medicaid match rate from 56.38% to 58.10%. Funds for the Omnibus Reconciliation Act Implementation line item are increased by \$16,700 Gross (\$6,500 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Omnibus Reconciliation Act Implementation line item are

increased by \$14,500 Gross (\$5,600 GF/GP). Employees' defined contribution retirement costs supporting the Omnibus Reconciliation Act Implementation line item are reduced by \$6,100 Gross (\$2,400 GF/GP). Employees' insurance costs supporting the Omnibus Reconciliation Act Implementation line item are increased by \$4,900 Gross (\$1,900 GF/GP). Contractual savings of \$132,000 Gross (all GF/GP) were transferred to the Omnibus Reconciliation Act Implementation line item from the Civil Services Charges, and Closed Site, Transition, and Related Costs line items. The savings were realized from the sale of closed sites and lower than projected FY 2005-06 civil service charges. Funds for the Omnibus Reconciliation Act Implementation line item were reduced by \$300,000 Gross (\$75,000 GF/GP) to reflect administrative savings that will be achieved through eliminating staff positions, and reducing CSS&M, contracts, and travel. Specific reductions had not been determined during budget deliberations.

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

### **FY 2006-07 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2007-3**

Funds for the CMHSP, Purchase of State Services Contracts line item are reduced by \$3,381,200 Gross (all GF/GP) to reflect savings due to changes in defined benefit retirement costs for employees of state hospitals and centers. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Federal Mental Health Block Grant line item are reduced by \$5,100 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Omnibus Reconciliation Act Implementation line item are reduced by \$29,100 Gross (\$14,700 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

**PUBLIC ACT 17 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

The enacted supplemental allocates \$6,624,500 Gross (\$2,492,100 GF/GP) to the Medicaid Mental Health Services appropriation to support projected mental health caseload spending for FY 2006-07. The enacted supplemental reduces the Medicaid Mental Health Services appropriation by \$4,742,600 Gross and increases the appropriation by \$2,673,900 GF/GP since savings were not realized in the carve-in of anti-psychotic prescription drugs costs into PIHP capitation rates. The FY 2006-07 transfer of anti-psychotic pharmaceutical costs to capitation payments for prepaid inpatient health plans (PIHPs) was not approved by the federal government.

The enacted supplemental reduces funding for the Medicaid Substance Abuse Services appropriation by \$1,103,100 Gross (\$415,000 GF/GP) to reflect projected substance abuse caseload spending for FY 2006-07.

**PUBLIC ACT 41 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

The enacted supplemental reduces funding for the Medicaid Mental Health Services appropriation by \$14,622,500 Gross (\$484,400 GF/GP) to reflect projected mental health caseload spending in FY 2006-07. The enacted supplemental transfers \$149,136,400 Gross (\$65,053,300 GF/GP) from the Medicaid Mental Health Services appropriation to the Pharmaceutical Services appropriation. The FY 2006-07 transfer of antipsychotic pharmaceutical costs to capitation payments for PIHPs was not approved by the federal government. The enacted supplemental allocates \$5.6 million Gross (\$2,106,700 GF/GP) for the Medicaid Mental Health Services appropriation to fully finance the 2.0% wage increase for direct care workers in community mental health settings.

The enacted supplemental allocates \$1.7 million Gross (all GF/GP) to the Community Mental Health Non-Medicaid Services line item to fully finance the 2.0% wage increase for direct care workers in community mental health settings.

The enacted supplemental reduces Gross funding by \$14,400 and increases GF/GP funding by \$3,000 for the Medicaid Substance Abuse Services appropriation to reflect projected substance abuse caseload spending in FY 2006-07.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS</b>							
Full-time equated classified positions	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Medicaid mental health services	1,797,294,900	1,878,874,100	1,718,736,400	1,718,736,400	1,711,042,700	1,717,929,300	1,717,929,300
Community mental health non-Medicaid services	317,772,300	319,566,100	319,566,100	320,066,100	0	319,566,100	319,566,100
Community mental health non-Medicaid services in court	0	0	0	0	213,566,100	0	0
Community mental health non-Medicaid services in court	0	0	0	0	71,000,000	0	0
Community mental health non-Medicaid services provided	0	0	0	0	35,000,000	0	0
Medicaid adult benefits waiver	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Multicultural services	5,163,800	5,163,800	5,163,800	5,163,800	5,163,800	5,763,800	5,763,800
Medicaid substance abuse services	35,622,900	36,285,300	36,378,500	36,378,500	36,378,500	36,378,500	36,378,500
Respite services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
CMHSP, purchase of state services contracts	128,681,500	136,239,300	136,239,300	136,239,300	136,239,300	136,239,300	136,239,300
Civil service charges	1,765,500	1,499,300	1,499,300	1,499,300	1,499,300	1,499,300	1,499,300
Federal mental health block grant--* FTE positions	15,355,000	15,367,900	15,367,900	15,367,900	15,367,900	15,367,900	15,367,900
* positions in above line	2.5	2.5	2.5	2.5	2.5	2.5	2.5
State disability assistance program substance abuse services	2,509,800	2,509,800	2,509,800	2,509,800	2,509,800	2,509,800	2,509,800
Community substance abuse prevention, education, and	85,919,100	85,268,000	85,268,000	103,268,100	85,268,000	85,268,000	85,268,000
Children's waiver home care program	19,549,800	19,549,800	19,549,800	19,549,800	19,549,800	19,549,800	19,549,800
Omnibus reconciliation act implementation--* FTE positions	12,505,200	12,367,200	12,367,200	12,367,200	12,367,200	12,367,200	12,367,200
* positions in above line	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Children with serious emotional disturbance waiver	570,000	570,000	570,000	570,000	570,000	570,000	570,000
Mental health treatment courts	0	0	0	1,116,000	0	0	0
<b>GROSS APPROPRIATION</b>	<b>2,463,709,800</b>	<b>2,554,260,600</b>	<b>2,394,216,100</b>	<b>2,413,832,200</b>	<b>2,386,522,400</b>	<b>2,394,009,000</b>	<b>2,394,009,000</b>
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from the department of corrections	0	0	0	1,116,000	0	0	0
Federal revenues:							
Total federal revenues	1,164,470,700	1,244,524,700	1,150,794,800	1,150,794,800	1,146,324,800	1,150,311,400	1,150,311,400
Special revenue funds:							
Total local revenues	26,072,100	26,072,100	26,072,100	26,072,100	26,072,100	26,072,100	26,072,100
Total other state restricted revenues	112,208,900	107,365,500	106,765,500	106,765,500	106,765,500	106,765,500	106,765,500
State general fund/general purpose	1,160,958,100	1,176,298,300	1,110,583,700	1,129,083,800	1,107,360,000	1,110,860,000	1,110,860,000

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

The enacted budget includes a base increase of \$4.5 million Gross (\$2.5 million CMHSP, Purchase of State Services Contracts) for state psychiatric hospitals and center for persons with developmental disabilities to cover staffing costs. The budget, as in the past, does not include adjustments to recognize days of care utilized by CMHSPs at state hospitals and centers. Options are being examined and evaluated by the Department of Community Health for funding state facilities. (This adjustment corresponds to a \$2.5 million increase 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 \$1,057,300 in the federal Medicaid revenue supporting state psychiatric hospitals and center for persons with developmental disabilities, with a corresponding decrease in CMHSP, Purchase of State Services Contracts deduct, due to an increase in the Medicaid match rate from 56.38% to 58.10%. (This adjustment corresponds to a \$1,057,300 reduction for 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 center for persons with developmental disabilities are increased by \$399,900 Gross (\$297,000 CMHSP, Purchase of State Services Contracts) to finance 5.0% inflationary increase in pharmacy costs. (This adjustment corresponds to a \$297,000 increase for the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.) The enacted budget anticipates Human Resources Optimization Gross savings of \$76,000 at Hawthorn Center and \$76,000 at Caro Psychiatric Hospital based upon work activities of the Department of Civil Service's Human Resources Call Center. (This adjustment corresponds to a \$86,400 reduction for the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.)

Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$4,172,000 Gross (\$2,889,700 CMHSP, Purchase of State Services Contracts) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting state psychiatric hospitals and center for persons with developmental disabilities are increased by \$4,470,400 Gross (\$3,107,300 CMHSP, Purchase of State Services Contracts). Employees' defined contribution retirement costs supporting state psychiatric hospitals and center for persons with developmental disabilities are reduced by \$2,080,900 Gross (\$1,448,700 CMHSP, Purchase of State Services Contracts). Employees' insurance costs supporting state psychiatric hospitals and center for persons with developmental disabilities are increased by \$1,766,500 Gross (\$1,221,500 CMHSP, Purchase of State Services Contracts). Funds authorized for state psychiatric hospitals and center

for persons with developmental disabilities are increased by \$61,500 Gross (\$45,000 CMHSP, Purchase of State Services Contracts) for clients' food costs. Funds allocated for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$139,500 Gross (\$89,700 CMHSP, Purchase of State Services Contracts) for gas, fuel, and utility costs. (All of these economic adjustments correspond to a \$5,904,500 net increase in the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.)

The FTE positions for the Forensic Center are reduced by 18.0 to reflect the FTEs that are supportable by the appropriated funds. The funds for the Forensic Center are increased by \$70,200 Gross (\$65,000 GF/GP) to finance an estimated 4.0% inflationary increase for pharmacy costs. As recommended in the Executive Budget Revision letter dated September 11, 2007, the enacted budget adds 90.0 FTE positions and \$9,130,000 Gross (\$7,928,100 GF/GP) to the Forensic Center to ensure that this facility is certified by Medicare. Funds for the Forensic Center are increased by \$1,108,100 Gross (\$1,025,900 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Forensic Center are increased by \$74,500 Gross (\$68,900 GF/GP). Employees' defined contribution retirement costs supporting the Forensic Center are increased by \$52,500 Gross (\$48,500 GF/GP). Employees' supplemental retirement costs supporting the Forensic Center are increased by \$443,000 Gross (\$409,400 GF/GP). Employees of the Department of Corrections are covered by a different retirement plan. Employees' insurance costs supporting the Forensic Center are increased by \$411,900 Gross (\$380,600 GF/GP). As an economic adjustment, funds for the Forensic Center are increased by \$9,600 Gross (\$8,700 GF/GP) for clients' food costs. As an economic adjustment, funds for the Forensic Center are increased by \$32,000 Gross (\$29,600 GF/GP) for gas, fuel, and utility costs. The early out retirement sick leave payments of \$44,700 Gross (all GF/GP) funded between FY 2002-03 and FY 2006-07 are eliminated from the Forensic Center appropriation.

The interdepartmental grant funds and FTE positions supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$1,025,000 and 10.0, respectively, for two additional mental health outpatient teams based on a caseload growth of 961 from October 2005 to December 2006. The enacted budget also includes an additional \$559,300 to correspond to the amount included in the Department of Corrections budget for Forensic Mental Health Services Provided to the Department of Corrections line item. The interdepartmental grant funds and FTE positions supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are reduced by \$1.2 million and 12.0, respectively, as a base adjustment. This adjustment recognizes a reduction in the salary-related costs due to the transfer of administrative and custodial responsibilities and staff to the Department of Corrections.

The authorization for the Forensic Mental Health Services Provided to the Department of Corrections line item is increased by \$948,700 Gross (\$0 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$18,700 Gross (\$0 GF/GP). Employees' defined contribution retirement costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$142,100 Gross (\$0 GF/GP). Employees' supplemental retirement costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$329,300 Gross (\$0 GF/GP). 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 \$266,500 Gross (\$0 GF/GP). **THE LEGISLATIVE INTENT FOR THE FORENSIC MENTAL HEALTH SERVICES PROVIDED TO THE DEPARTMENT OF CORRECTIONS LINE ITEM WITHIN THE DEPARTMENT OF COMMUNITY HEALTH BUDGET IS NOT CONSISTENT WITH THE LEGISLATIVE INTENT FOR THE DEPARTMENT OF CORRECTIONS BUDGET. THE DEPARTMENT OF CORRECTIONS BUDGET DOES NOT RECOGNIZE THE \$1.2 MILLION BASE ADJUSTMENT AND PARTIALLY FUNDS A NEW OUTPATIENT MENTAL HEALTH TREATMENT TEAM.**

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 and Equipment line item.

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

The early out retirement sick leave payments of \$187,600 Gross (all GF/GP) funded between FY 2002-03 and FY 2006-07 are eliminated from the Closed Site, Transition, and Related Costs appropriation. Contractual savings of \$524,700 Gross (all GF/GP) realized from the sale of closed sites are transferred to the Mental Health/Substance Abuse Program Administration line item. The 11.0 FTE positions supporting the Closed Site, Transition, and Related Costs appropriation are eliminated. The enacted budget includes a \$100 Gross (all GF/GP) placeholder for the Closed Site, Transition, and Related Costs appropriation.

The enacted budget includes no changes for the Severance Pay appropriation.



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

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-3**

Funds for Caro Regional Mental Health Center - Psychiatric Hospital, Kalamazoo Psychiatric Hospital, Walter P. Reuther Psychiatric Hospital - Adult, Hawthorn Center-Psychiatric Hospital-Children and Adolescents, and Mount Pleasant Center-Developmental Disabilities are reduced by \$4,498,500 Gross (\$3,381,200 CMHSP, Purchase of State Services Contracts) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Forensic Center are reduced by \$2,257,900 Gross (\$2,099,800 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Forensic Mental Health Services Provided to the Department of Corrections line item are reduced by \$1,309,700 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
	P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
	DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)
<b>Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES</b>							
Total average population	1,109.0	1,109.0	1,109.0	1,109.0	1,109.0	1,109.0	1,109.0
Full-time equated classified positions	2,900.3	2,867.3	2,957.3	2,867.3	2,867.3	2,957.3	2,957.3
Caro regional mental health center - psychiatric hospital	41,511,600	43,466,600	43,466,600	43,466,600	43,466,600	43,466,600	43,466,600
* positions in above line	482.3	481.3	481.3	481.3	481.3	481.3	481.3
Average population	179.0	179.0	179.0	179.0	179.0	179.0	179.0
Kalamazoo psychiatric hospital - adult--* FTE positions	40,392,200	43,120,900	43,120,900	43,120,900	43,120,900	43,120,900	43,120,900
* positions in above line	466.6	466.6	466.6	466.6	466.6	466.6	466.6
Average population	186.0	186.0	186.0	186.0	186.0	186.0	186.0
Walter P. Reuther psychiatric hospital - adult--* FTE pos	40,549,700	43,147,800	43,147,800	43,147,800	43,147,800	43,147,800	43,147,800
* positions in above line	437.3	437.3	437.3	437.3	437.3	437.3	437.3
Average population	236.0	236.0	236.0	236.0	236.0	236.0	236.0
Hawthorn center - psychiatric hospital - children and ad	19,483,900	21,497,600	21,497,600	21,497,600	21,497,600	21,497,600	21,497,600
* positions in above line	219.0	218.0	218.0	218.0	218.0	218.0	218.0
Average population	74.0	74.0	74.0	74.0	74.0	74.0	74.0
Mount Pleasant center - developmental disabilities--* FT	42,954,900	46,936,300	46,936,300	46,936,300	46,936,300	46,936,300	46,936,300
* positions in above line	472.7	472.7	472.7	472.7	472.7	472.7	472.7
Average population	209.0	209.0	209.0	209.0	209.0	209.0	209.0
Center for forensic psychiatry--* FTE positions	49,408,800	51,582,200	60,712,200	51,582,200	51,565,900	60,695,900	60,695,900
* positions in above line	493.0	475.0	565.0	475.0	475.0	565.0	565.0
Average population	225.0	225.0	225.0	225.0	225.0	225.0	225.0
Forensic mental health services provided to the departm	36,018,600	37,548,900	37,548,900	37,548,900	37,548,900	38,108,200	38,108,200
* positions in above line	318.4	316.4	316.4	316.4	316.4	316.4	316.4
Revenue recapture	750,000	750,000	750,000	750,000	750,000	750,000	750,000
IDEA, federal special education	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Special maintenance and equipment	335,300	335,300	335,300	335,300	335,300	335,300	335,300
Purchase of medical services for residents of hospitals a	2,045,600	2,045,600	2,045,600	2,045,600	2,045,600	2,045,600	2,045,600
Closed site, transition, and related costs--* FTE position	712,300	0	0	100	100	100	100
* positions in above line	11.0	0.0	0.0	0.0	0.0	0.0	0.0
Severance pay	216,900	216,900	216,900	216,900	216,900	216,900	216,900
Gifts and bequests for patient living and treatment enviro	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>GROSS APPROPRIATION</b>	<b>275,499,800</b>	<b>291,768,100</b>	<b>300,898,100</b>	<b>291,768,200</b>	<b>291,751,900</b>	<b>301,441,200</b>	<b>301,441,200</b>
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from the department of correctio	36,018,600	37,548,900	37,548,900	37,548,900	37,548,900	38,108,200	38,108,200
Federal revenues:							
Total federal revenues	35,269,100	39,520,900	39,520,900	39,520,900	39,520,900	39,520,900	39,520,900
Special revenue funds:							
CMHSP, purchase of state services contracts	128,681,500	136,239,300	136,239,300	136,239,300	136,239,300	136,239,300	136,239,300
Other local revenues	15,548,400	16,533,500	17,094,400	16,533,500	16,533,500	17,094,400	17,094,400
Total private revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total other state restricted revenues	10,229,300	10,876,700	11,517,700	10,876,700	10,876,700	11,517,700	11,517,700
State general fund/general purpose	48,752,900	50,048,800	57,976,900	50,048,900	50,032,600	57,960,700	57,960,700

# **PUBLIC HEALTH**

	FY 2006-07	FY 2007-08 EXECUTIVE	FY 2007-08 REVISED EXEC.	FY 2007-08 HOUSE	FY 2007-08 SENATE	FY 2007-08 ENROLLED	FY 2007-08
FY 2007-08	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	YEAR-TO-DATE	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>PUBLIC HEALTH APPROPRIATION SUMMARY:</b>							
Full-time equated classified positions	954.4	963.0	963.0	987.4	958.8	987.4	987.4
GROSS APPROPRIATION	521,455,400	526,592,200	526,592,200	542,768,500	517,681,700	553,967,300	553,967,300
Interdepartmental grant revenues:							
Total interdepartmental grants and intradepartmental tra	1,267,500	1,302,000	1,302,000	1,302,000	1,302,000	1,302,000	1,302,000
ADJUSTED GROSS APPROPRIATION	520,187,900	525,290,200	525,290,200	541,466,500	516,379,700	552,665,300	552,665,300
Federal revenues:							
Total federal revenues	316,751,800	324,630,500	324,630,500	327,380,500	324,694,400	337,380,500	337,380,500
Special revenue funds:							
Total private revenues	61,496,000	61,931,800	61,931,800	62,701,800	62,931,800	62,701,800	62,701,800
Total local revenues	5,377,700	5,377,700	5,377,700	5,377,700	5,377,700	5,377,700	5,377,700
Total other state restricted revenues	72,236,400	67,826,300	67,826,300	79,312,500	58,945,900	81,502,900	81,502,900
State general fund/general purpose	64,326,000	65,523,900	65,523,900	66,694,000	64,429,900	65,702,400	65,702,400

## **PUBLIC HEALTH ADMINISTRATION**

The Public Health Administration line item receives employee-related economic increases of \$47,000 Gross (\$42,000 GF/GP) for a salary and wage increase, and \$10,900 Gross (\$8,900 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. Decreases are made to the line of \$1,500 Gross (\$1,300 GF/GP) to reflect a reduction in defined benefit retirement costs, and \$700 Gross (\$600 GF/GP) to reflect a reduction in defined contribution retirement costs. The line is reduced by \$150,000 Gross (all GF/GP) to reflect changes to the Surgeon General position effective April 2007 of reduced state funding related to salary and benefits. The position is now partially funded in the DCH budget under the Promotion of Healthy Behaviors line item; the position is also partially funded by the Henry Ford Health Systems outside of the state budget. Some GF/GP savings from this change were retained in this line item to reestablish funding for the Chief Medical Executive position.

The Minority Health Grants and Contracts line item is reduced by \$101,500 Gross (\$0 GF/GP) to recognize a reduction of the ongoing federal Preventive Health and Health Services Block Grant, affecting funds available to improve the health status of minorities and address health disparities.

The Vital Records and Health Statistics line item receives employee-related economic increases of \$149,000 Gross (\$0 GF/GP) for a salary and wage increase, \$154,600 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$57,300 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$71,400 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. An increase of \$188,000 Gross (\$0 GF/GP) recognizes increased federal revenue from the Medicaid program as a user of the vital records program birth data to expedite verification and enrollment of newborns. The line item is also reduced by a like amount, a \$188,000 Gross (\$0 GF/GP) reduction, of excess state restricted authorization for revenue from vital records fees. The Vital Records and Health Statistics line item is increased by 3.0 FTEs and \$2,000,000 Gross (\$0 GF/GP) of federal Medicaid Transformation grant funds, a 2-year grant to enhance the state vital records system automation and interface, providing benefit to the Medicaid program of improved speed and accuracy of validation of vital events and citizenship for eligibility determination.

A new line item is established, Promotion of Healthy Behaviors, with a \$1,000,000 Gross (\$0 GF/GP) appropriation of private funds under a 3-year grant from the W. K. Kellogg Foundation. The project funds middle school student-led programs in underserved communities to improve health related behaviors and address health disparities.

### **FY 2006-07 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the Public Health Administration line item for FY 2006-07 by \$63,300 Gross (\$53,500 GF/GP). The savings of GF/GP and Michigan Health Initiative funds are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Minority Health Grants and Contracts line item for FY 2006-07 by \$6,200 Gross (\$0 GF/GP). The Healthy Michigan Fund savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Vital Records and Health Statistics line item for FY 2006-07 by \$230,900 Gross (\$0 GF/GP). The savings of federal and fee revenue are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

#### **PUBLIC ACT 41 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 41 increases the Vital Records and Health Statistics line item by 3.0 FTEs and \$2,500,000 Gross (\$0 GF/GP) from a new federal Medicaid Transformation grant to enhance the state vital records and system and interfaces, providing benefit to the Medicaid program in validation of vital events and citizenship for determination of eligibility.

Public Act 41 creates a new line item, Promotion of Healthy Behaviors, with an appropriation of \$700,000 Gross (\$0 GF/GP) to recognize a new 3-year grant from the W. K. Kellogg Foundation for middle school student-led programs in underserved communities to improve health related behaviors and address health disparities.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	YEAR-TO-DATE	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 106. PUBLIC HEALTH ADMINISTRATION</b>							
Full-time equated classified positions	86.4	86.4	86.4	89.4	86.4	89.4	89.4
Public health administration--* FTE positions	1,802,400	1,858,100	1,858,100	1,708,100	1,708,100	1,708,100	1,708,100
* positions in above line	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Minority health grants and contracts--* FTE positions	1,592,500	1,491,000	1,491,000	1,491,000	791,000	1,491,000	1,491,000
* positions in above line	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Promotion of healthy behaviors	0	0	0	1,000,000	1,000,000	1,000,000	1,000,000
Vital records and health statistics--* FTE positions	7,658,400	7,947,900	7,947,900	9,947,900	7,947,900	9,947,900	9,947,900
* positions in above line	72.4	72.4	72.4	75.4	72.4	75.4	75.4
GROSS APPROPRIATION	11,053,300	11,297,000	11,297,000	14,147,000	11,447,000	14,147,000	14,147,000
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from the department of human s	724,100	745,300	745,300	745,300	745,300	745,300	745,300
Federal revenues:							
Total federal revenues	2,854,000	3,012,100	3,012,100	5,012,100	3,012,100	5,012,100	5,012,100
Special revenue funds:							
Total private revenues	0	0	0	1,000,000	1,000,000	1,000,000	1,000,000
Total other state restricted revenues	5,972,700	5,988,100	5,988,100	5,988,100	5,288,100	5,988,100	5,988,100
State general fund/general purpose	1,502,500	1,551,500	1,551,500	1,401,500	1,401,500	1,401,500	1,401,500

## **HEALTH POLICY, REGULATION, AND PROFESSIONS**

Contractual savings of \$329,400 Gross (all GF/GP) realized from the Auxiliary Medical Services and Medical Care and Treatment line items are transferred to the Health Systems Administration line item. The savings were realized by reducing the fee screen for the following reasons: to eliminate co-pays, for nursing homes, and to below Medicare for enteral formula and diabetes strips. The funds supporting the Substance Abuse Program Administration line item (\$64,400 GF/GP) are consolidated with the Health Systems Administration line item. The FTE position supporting the Substance Abuse Program Administration line item is consolidated with the FTE positions supporting the Health Systems Administration line item. The early out retirement sick leave payments of \$4,700 Gross (all GF/GP) funded between FY 2002-03 and FY 2006-07 are eliminated from the Health Systems Administration line item. Funds for the Health Systems Administration line item are reduced by \$343,200 Gross (\$101,100 GF/GP) to reflect administrative savings that will be achieved through eliminating staff positions, and reducing CSS&M, contracts, and travel. Specific reductions had not been determined during budget deliberations. Private revenue realized from civil monetary penalties from the efforts of two quality improvement nurses replaces \$200,000 GF/GP supporting the Health Systems Administrations line item.

Funds for the Health Systems Administration line item are increased by \$474,900 Gross (\$110,600 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Health Systems Administration line item are increased by \$403,800 Gross (\$100,900 GF/GP). Employees' defined contribution retirement costs supporting the Health Systems Administration line item are reduced by \$180,000 Gross (\$45,000 GF/GP). Employees' insurance costs supporting the Health Systems Administration line item are increased by \$150,200 Gross (\$37,600 GF/GP).

The federal Trauma grant of \$42,400 which partially supported a FTE position for the Emergency Medical Services Program State Staff appropriation is eliminated as the grant has ended. The federal Rural Access to Emergency Devices Grant of \$162,500 which supported the Emergency Medical Services Program State Staff appropriation is eliminated as the grant has ended. The grant was used to purchase automated external defibrillators through a contract with the Michigan Center for Rural Health. Funds for the Emergency Medical Services Program State Staff appropriation are increased by \$225,000 to recognize new federal Highway Safety Project grants. The grants will be used to develop the emergency medical services trauma information system.

Funds for the Emergency Medical Services Program State Staff appropriation are increased by \$17,200 Gross (\$8,600 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Emergency Medical Services Program State Staff



appropriation are increased by \$7,900 Gross (\$4,000 GF/GP). Employees' defined contribution retirement costs supporting the Emergency Medical Services Program State Staff appropriation are reduced by \$5,300 Gross (\$2,800 GF/GP). Employees' insurance costs supporting the Emergency Medical Services Program State Staff appropriation are increased by \$6,500 Gross (\$3,200 GF/GP).

Funds for the Radiological Health Administration line item are increased by \$53,500 Gross (\$0 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Radiological Health Administration line item are increased by \$103,600 Gross (\$0 GF/GP). Employees' defined contribution retirement costs supporting the Radiological Health Administration line item are reduced by \$12,100 Gross (\$0 GF/GP). Employees' insurance costs supporting the Radiological Health Administration line item are increased by \$19,900 Gross (\$0 GF/GP).

Funds (\$64,400 GF/GP) and 1.0 FTE position supporting the Substance Abuse Program Administration appropriation are consolidated with the funds and FTE positions supporting the Health Systems Administration line item.

The federal revenue supporting the Emergency Medical Services Grants and Services appropriation is decreased by \$100,200 recognizing a continual reduction in the Preventive Health and Health Services Block grant.

Funding of \$120,800 Gross (\$0 GF/GP) is included in the budget for an approved FTE position for the Health Professions line item. The FTE position will support the backlog of work for processing licenses and complaints, conducting investigations, development of the workforce, and support for health professional boards. Funding of \$507,600 Gross (\$0 GF/GP) is included in the budget for 7.0 FTE positions supporting the Health Professions line item. Funding for 5.0 FTE positions will support the backlog of work for processing licenses and complaints, conducting investigations, development of workforce, and support for health professional boards. Funding for 2.0 FTE positions will support the work activities for the recently approved license requirement for acupuncturists. Funding of \$317,400 Gross (\$0 GF/GP) is included in the budget for 4.0 FTE positions supporting the Health Professions line item. The staff is needed to support the work activities for the recently approved licensure requirements for athletic trainers and dietitians/nutritionists. Funds for the Health Professions line item are increased by \$827,900 Gross (\$0 GF/GP) as contractual costs for the Health Professionals Recovery Program have increased due to the volume of work.

Funds for the Health Professions line item are increased by \$254,600 Gross (\$0 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Health Professions line item are increased by \$727,400 Gross (\$0 GF/GP). Employees' defined

contribution retirement costs supporting the Health Professions line item are reduced by \$95,400 Gross (\$0 GF/GP). Employees' insurance costs supporting the Health Professions line item are increased by \$84,900 Gross (\$0 GF/GP). Funding for the Health Professions line item is increased by \$3.0 million to recognize a federal Medicaid Transformation grant. The grant will be used for the development of a "one source" credentialing database for all licensed health care professionals and facilities. Five FTE positions are established to carry out the activities required by this federal grant.

A new line item entitled "Background Check Program" is established by utilizing \$1,072,900 federal Medicaid revenue and \$3,401,500 health system fees and collections. The use of state restricted funds for this program for employees of health facilities requires changes to the Public Health Code.

Funds for 1.0 FTE position from the Medical Services Administration line item (\$94,800 Gross, \$49,200 GF/GP) are transferred to the Health Policy, Regulation, and Professions Administration line item. This staff position that processes subpoenas related to the subrogation for Medicaid worker's compensation and casualty third-party liability activities will be part of the Department's Office of Legal Affairs. Funds for the Health Policy, Regulation, and Professions line item are reduced by \$21,800 Gross (\$6,500 GF/GP) to reflect administrative savings that will be achieved through eliminating staff positions, and reducing CSS&M, contracts, and travel. Specific reductions had not been determined during budget deliberations.

Funds for the Health Policy, Regulation, and Professions Administration appropriation are increased by \$80,500 Gross (\$21,700 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefits retirement costs supporting the Health Policy, Regulation, and Professions Administration line item are reduced by \$1,600 Gross (\$36,500 GF/GP). This adjustment also includes an increase of \$37,200 in state restricted revenue and a reduction of \$2,300 in federal revenue. Employees' defined contribution retirement costs supporting the Health Policy, Regulation, and Professions Administration line item are reduced by \$2,200 Gross (\$6,200 GF/GP). This adjustment also includes an increase of \$10,000 in federal revenue and a reduction of \$6,000 in state restricted revenue. Employees' insurance costs supporting the Health Policy, Regulation, and Professions Administration line item are increased by \$18,200 Gross (\$7,200 GF/GP).

Funds for the Nurse Scholarship, Education, and Research Program line item are increased by \$9,000 Gross (\$0 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Nurse Scholarship, Education, and Research Program line item are increased by \$43,200 Gross (\$0 GF/GP). Employees' defined contribution retirement costs supporting the Nurse Scholarship, Education, and Research Program line item are increased by \$30,500 Gross (\$0 GF/GP). Employees'

insurance costs supporting the Nurse Scholarship, Education, and Research Program line item are increased by \$2,200 Gross (\$0 GF/GP).

Funds for the Certificate Of Need (CON) Program Administration appropriation are increased by \$27,300 Gross (\$0 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the CON Program Administration appropriation are increased by \$6,600 Gross (\$0 GF/GP). Employees' defined contribution retirement costs supporting the CON Program Administration appropriation are increased by \$800 Gross (\$0 GF/GP). This adjustment also includes a reduction of \$100 in the interdepartmental grant from the Department of Treasury and an increase of \$900 in state restricted revenue. Employees' insurance costs supporting the CON Program Administration appropriation are increased by \$8,200 Gross (\$0 GF/GP).

Funds for the Rural Health Services line item are increased by \$1,700 Gross (\$0 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined contribution retirement costs supporting the Rural Health Services line item are increased by \$11,100 Gross (\$0 GF/GP). Employees' insurance costs supporting the Rural Health Services line item are increased by \$500 Gross (\$0 GF/GP). Funds totaling \$510,000 are shifted from the federal State Office of Rural Health grant to the federal Rural Health Flexibility Program grant.

The enacted budget includes no changes to the Michigan Essential Health Provider appropriation.

The federal funds supporting the Primary Care Services line item are reduced by \$248,500 recognizing a continual decrease in the Preventive Health and Health Services Block grant. Funds for the Primary Care Services line item are increased by \$3,300 Gross (\$0 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supported by the Primary Care Services line item are increased by \$2,200 Gross (\$0 GF/GP). Employees' defined contribution retirement costs supported by the Primary Care Services line item are reduced by \$700 Gross (\$0 GF/GP). Employees' insurance costs supported by the Primary Care Services line item are increased by \$900 Gross (\$0 GF/GP). The allocation for the Primary Care Services is increased by \$150,000 GF/GP for Bay Mills Health Center that serves low-income and uninsured populations. The allocation for Primary Care Services is increased by \$150,000 GF/GP for rural health services. The allocation for Primary Care Services is increased by \$60,000 GF/GP for tribal elders program of 12 Michigan tribes.

## FY 2006-07 SUPPLEMENTAL ACTIONS

### **EXECUTIVE ORDER 2007-3**

Funds for the Health Systems Administration line item are reduced by \$542,500 Gross (\$86,800 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Emergency Medical Services Program State Staff line item are reduced by \$39,400 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Radiological Health Administration line item are reduced by \$89,000 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Substance Abuse Program Administration line item are reduced by \$2,800 Gross (all GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Health Professions line item are reduced by \$351,500 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Health Policy, Regulation, and Professions Administration line item are reduced by \$87,700 Gross (\$21,000 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Nurse Scholarship, Education, and Research Program line item are reduced by \$11,000 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Certificate of Need Program Administration line item are reduced by \$41,500 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Rural Health Services line item are reduced by \$1,800 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

Funds for the Primary Care Services line item are reduced by \$1,800 Gross (\$0 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

#### **PUBLIC ACT 41 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

The enacted supplemental increases funding for the Health Professions line item by \$3.1 million Gross to recognize a new federal Medicaid Transformation grant. This grant is used for the development of a "one source" credentialing database for licensed care professionals and facilities. Five FTE positions are responsible for carrying out these activities.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS</b>							
Full-time equated classified positions	405.6	418.6	418.6	423.6	417.6	423.6	423.6
Health systems administration--* FTE positions	21,620,000	22,514,800	22,514,800	22,514,800	22,450,400	22,514,800	22,514,800
* positions in above line	193.6	194.6	194.6	194.6	193.6	194.6	194.6
Emergency medical services program state staff--* FTE	1,423,500	1,471,900	1,471,900	1,471,900	1,471,900	1,471,900	1,471,900
* positions in above line	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Radiological health administration--* FTE positions	2,506,700	2,671,600	2,671,600	2,671,600	2,671,600	2,671,600	2,671,600
* positions in above line	21.4	21.4	21.4	21.4	21.4	21.4	21.4
Substance abuse program administration--* FTE positions	64,400	0	0	0	0	0	0
* positions in above line	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Emergency medical services grants and services--* FTE	588,900	488,700	488,700	488,700	488,700	488,700	488,700
* positions in above line	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Health professions--* FTE positions	15,205,600	17,950,600	17,950,600	20,950,600	17,950,600	20,950,600	20,950,600
* positions in above line	125.0	137.0	137.0	142.0	137.0	142.0	142.0
Background check program	0	4,474,400	4,474,400	4,474,400	4,474,400	4,474,400	4,474,400
Health policy, regulation, and professions administration	5,366,800	5,538,300	5,538,300	5,538,300	5,538,300	5,538,300	5,538,300
* positions in above line	29.7	30.7	30.7	30.7	30.7	30.7	30.7
Nurse scholarship, education, and research program--*	903,800	988,700	988,700	988,700	838,700	988,700	988,700
* positions in above line	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Certificate of need program administration--* FTE positions	1,726,400	1,769,300	1,769,300	1,769,300	1,769,300	1,769,300	1,769,300
* positions in above line	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Rural health services--* FTE positions	1,390,500	1,403,800	1,403,800	1,403,800	1,703,800	1,403,800	1,403,800
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Michigan essential health provider	1,847,100	1,847,100	1,847,100	1,847,100	1,847,100	1,847,100	1,847,100
Primary care services--* FTE positions	2,265,500	2,022,700	2,022,700	3,372,800	1,722,700	2,382,700	2,382,700
* positions in above line	1.4	1.4	1.4	1.4	1.4	1.4	1.4
<b>GROSS APPROPRIATION</b>	<b>54,909,000</b>	<b>63,141,900</b>	<b>63,141,900</b>	<b>67,492,000</b>	<b>62,927,500</b>	<b>66,501,900</b>	<b>66,501,900</b>
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from the department of treasury	113,000	116,300	116,300	116,300	116,300	116,300	116,300
Federal revenues:							
Total federal revenues	22,559,600	23,742,100	23,742,100	26,742,100	23,742,100	26,742,100	26,742,100
Special revenue funds:							
Total local revenues	227,700	227,700	227,700	227,700	227,700	227,700	227,700
Total private revenues	150,000	350,000	350,000	350,000	350,000	350,000	350,000
Total other state restricted revenues	24,150,900	30,728,400	30,728,400	30,728,400	30,728,400	30,728,400	30,728,400
State general fund/general purpose	7,707,800	7,977,400	7,977,400	9,327,500	7,763,000	8,337,400	8,337,400

## **INFECTIOUS DISEASE CONTROL**

The AIDS Prevention, Testing, and Care Programs line item receives employee-related economic increases of \$27,600 Gross (\$0 GF/GP) for a salary and wage increase, \$16,900 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$9,900 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$3,700 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The line item is reduced by \$15,600 Gross (\$0 GF/GP) to recognize a reduction of the ongoing federal Preventive Health and Health Services Block Grant, affecting funds available for AIDS counseling and testing.

There are no changes to the Immunization Local Agreements line item.

The Immunization Program Management and Field Support line item receives employee-related economic increases of \$39,100 Gross (\$4,800 GF/GP) for a salary and wage increase, \$45,300 Gross (\$5,600 GF/GP) for defined benefit retirement costs, and \$13,800 Gross (\$1,700 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$21,700 Gross (\$2,700 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The line item is reduced by \$3,700 Gross (all GF/GP) removing funding associated with the completed 5-year sick leave payout to employees participating in the 2002 early retirement program.

The Pediatric AIDS Prevention and Control line item is increased by 1.0 FTE to reflect use of a state employee rather than a contractual employee to comply with conditions of the federal Title IV Ryan White grant, as part of a review of contractual services and conversion for financial and /or accountability benefits.

The Sexually Transmitted Disease Control Local Agreements line item is reduced by \$62,500 Gross (\$0 GF/GP) to recognize a reduction of the ongoing federal Preventive Health and Health Services Block Grant, affecting funds available for sexually transmitted disease control and prevention funding to local health departments.

The Sexually Transmitted Disease Control Management and Field Support line item receives employee-related economic increases of \$50,900 Gross (\$19,200 GF/GP) for a salary and wage increase, \$29,000 Gross (\$12,300 GF/GP) for defined benefit retirement costs, and \$17,900 Gross (\$7,400 GF/GP) for insurance cost increases of 7.2%. The salary

and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$8,800 Gross (\$4,000 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The line item is increased by 1.0 FTE to reflect use of a state employee rather than a contractual employee to comply with conditions of the federal Sexually Transmitted Disease Prevention grant, as part of a review of contractual services and conversion for financial and /or accountability benefits. The line item is reduced by \$8,500 Gross (all GF/GP) removing funding associated with the completed 5-year sick leave payout to employees participating in the 2002 early retirement program. Administrative funding for sexually transmitted disease control program staff, contractual services, supplies, and materials is reduced by \$28,800 Gross (\$14,400 GF/GP) to achieve GF/GP savings; the GF/GP reduction will cause a like reduction of federal funds.

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the AIDS Prevention, Testing, and Care Programs line item for FY 2006-07 by \$38,500 Gross (\$0 GF/GP). The Michigan Health Initiative Fund savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Immunization Program Management and Field Support line item for FY 2006-07 by \$39,300 Gross (\$6,900 GF/GP). The GF/GP, federal, and Healthy Michigan Fund savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Sexually Transmitted Disease Control Management and Field Support line item for FY 2006-07 by \$82,700 Gross (\$28,800 GF/GP). The savings of GF/GP and Michigan Health Initiative Funds are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.



**PUBLIC ACT 17 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 17 reduces the Immunization Program Management and Field Support line item by \$85,100 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds and uses the savings to offset Medicaid GF/GP costs.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 108. INFECTIOUS DISEASE CONTROL</b>							
Full-time equated classified positions	49.0	51.0	51.0	51.0	48.8	51.0	51.0
AIDS prevention, testing, and care programs--* FTE positions	37,428,800	37,463,900	37,463,900	37,463,900	37,463,900	37,463,900	37,463,900
* positions in above line	12.0	12.0	12.0	12.0	9.8	12.0	12.0
Immunization local agreements	13,990,300	13,990,300	13,990,300	13,990,300	13,840,300	13,990,300	13,990,300
Immunization program management and field support--*	1,930,700	2,003,500	2,003,500	2,003,500	1,648,600	2,003,500	2,003,500
* positions in above line	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Pediatric AIDS prevention and control--* FTE positions	1,224,800	1,224,800	1,224,800	1,224,800	1,224,800	1,224,800	1,224,800
* positions in above line	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Sexually transmitted disease control local agreements	3,423,200	3,360,700	3,360,700	3,360,700	3,360,700	3,360,700	3,360,700
Sexually transmitted disease control management and field support--*	3,624,900	3,676,600	3,676,600	3,676,600	3,676,600	3,676,600	3,676,600
* positions in above line	22.0	23.0	23.0	23.0	23.0	23.0	23.0
GROSS APPROPRIATION	61,622,700	61,719,800	61,719,800	61,719,800	61,214,900	61,719,800	61,719,800
Appropriated from:							
Federal revenues:							
Total federal revenues	40,921,800	40,885,600	40,885,600	40,885,600	40,885,600	40,885,600	40,885,600
Special revenue funds:							
Total private revenues	7,997,900	7,997,900	7,997,900	7,997,900	7,997,900	7,997,900	7,997,900
Total other state restricted revenues	8,575,800	8,691,400	8,691,400	8,691,400	8,186,500	8,691,400	8,691,400
State general fund/general purpose	4,127,200	4,144,900	4,144,900	4,144,900	4,144,900	4,144,900	4,144,900

## **LABORATORY SERVICES**

There are no changes to the Bovine Tuberculosis line item.

The Laboratory Services line item receives employee-related economic increases of \$387,900 Gross (\$168,100 GF/GP) for a salary and wage increase, \$231,100 Gross (\$146,200 GF/GP) for defined benefit retirement costs, and \$100,900 Gross (\$62,300 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$95,300 Gross (\$60,400 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The Laboratory Services line item is reduced by \$23,400 Gross (\$0 GF/GP) to recognize a reduction of the ongoing federal Preventive Health and Health Services Block Grant, affecting funds available for laboratory services. The Laboratory Services line item is reduced by \$205,800 Gross (\$0 GF/GP) with the completion of the federal grant award to integrate clinical laboratories in public health laboratory testing, funded since Fiscal Year 2003-04. The line item is reduced by \$135,800 Gross (\$0 GF/GP) with the completion of the 3-year federal grant award to study the prevalence and virulence of the foodborne Shiga Toxin-Producing Escherichia Coli (STEC) group of bacteria strains which can cause human disease, funded since Fiscal Year 2004-05. Funds are restored to the line item totaling \$329,400 Gross (all GF/GP); these funds were removed in the FY 2005-06 budget in anticipation of contract and information technology cost savings in laboratory services but the savings were achieved in other budget areas. The line item is reduced by \$15,800 Gross (all GF/GP) removing funding associated with the completed 5-year sick leave payout to employees participating in the 2002 early retirement program. Administrative funding for laboratory services staff, contractual services, supplies, and materials is reduced by \$90,000 Gross (all GF/GP) to achieve GF/GP savings. The line item is increased by \$2,332,200 Gross (\$0 GF/GP) to reflect additional laboratory services revenue from the annual fee increase for newborn screening.

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the Bovine Tuberculosis line item for FY 2006-07 by \$7,500 Gross (\$0 GF/GP). The Michigan Health Initiative Fund savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Laboratory Services line item for FY 2006-07 by \$430,600 Gross (\$276,600 GF/GP). The GF/GP, federal, Michigan Health Initiative Fund, newborn screening fee, and interdepartmental grant revenue savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount. Additionally, the line item is reduced by \$100,000 Gross (all GF/GP) as one of three final adjustments across the Department to achieve the total Executive Order GF/GP savings after finalized retirement savings by line item were determined.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 109. LABORATORY SERVICES</b>							
Full-time equated classified positions	122.0	122.0	122.0	122.0	122.0	122.0	122.0
Bovine tuberculosis--* FTE positions	500,000	500,000	500,000	500,000	500,000	500,000	500,000
* positions in above line	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Laboratory services--* FTE positions	15,543,700	16,026,900	16,026,900	16,026,900	16,026,900	18,359,100	18,359,100
* positions in above line	120.0	120.0	120.0	120.0	120.0	120.0	120.0
GROSS APPROPRIATION	16,043,700	16,526,900	16,526,900	16,526,900	16,526,900	18,859,100	18,859,100
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from the department of environr	430,400	440,400	440,400	440,400	440,400	440,400	440,400
Federal revenues:							
Total federal revenues	3,093,200	2,794,600	2,794,600	2,794,600	2,794,600	2,794,600	2,794,600
Special revenue funds:							
Total other state restricted revenues	5,420,200	5,652,200	5,652,200	5,652,200	5,652,200	7,984,400	7,984,400
State general fund/general purpose	7,099,900	7,639,700	7,639,700	7,639,700	7,639,700	7,639,700	7,639,700

## **EPIDEMIOLOGY**

The AIDS Surveillance and Prevention Program line item is reduced by \$165,800 Gross (\$0 GF/GP) with the completion of the federal OASIS grant award (Outcomes Assessment through Systems of Integrated Surveillance), part of the Preventive Health Services-Sexually Transmitted Disease Control grant, funded since Fiscal Year 2003-04.

The Asthma Prevention and Control line item receives employee-related economic increases of \$6,100 Gross (all GF/GP) for a salary and wage increase, \$1,300 Gross (all GF/GP) for defined contribution retirement costs, and \$2,300 Gross (all GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase.

The Bioterrorism Preparedness line item receives employee-related economic increases of \$180,400 Gross (\$0 GF/GP) for a salary and wage increase, \$187,700 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$66,600 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$86,600 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs.

The Epidemiology Administration line item receives employee-related economic increases of \$104,400 Gross (\$47,600 GF/GP) for a salary and wage increase, \$123,100 Gross (\$56,100 GF/GP) for defined benefit retirement costs, and \$31,100 Gross (\$14,100 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$31,500 Gross (\$1,200 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Federal funding is reduced by the following amounts to recognize completion of three federal grants: \$146,700 Gross (\$0 GF/GP) to evaluate the impact of ambient air pollution on adverse birth outcomes, low-birth weight and pre-term births, funded since Fiscal Year 2003-04; \$45,300 Gross (\$0 GF/GP) for the Endocrine Disruptors Study Project to assess chemical contamination in fish as part of a study of the impact of chemicals on the endocrine systems of humans and wildlife, funded since Fiscal Year 2003-04; and \$7,400 Gross (\$0 GF/GP) for the OASIS grant (Outcomes Assessment through Systems of Integrated Surveillance), part of the Preventive Health Services-Sexually Transmitted Disease Control grant, funded since Fiscal Year 2003-04. The line item is reduced by \$18,500 Gross (all GF/GP) removing funding associated with the completed 5-year sick leave

payout to employees participating in the 2002 early retirement program. Administrative funding for epidemiology services staff, contractual services, supplies, and materials is reduced by \$17,200 Gross (all GF/GP) to achieve GF/GP savings.

The Lead Abatement Program line item receives employee-related economic increases of \$16,700 Gross (\$0 GF/GP) for a salary and wage increase, \$17,700 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$8,000 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$8,100 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs.

The Newborn Screening Follow-Up and Treatment Services line item receives employee-related economic increases of \$20,100 Gross (\$0 GF/GP) for a salary and wage increase, \$18,200 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$8,600 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$7,900 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The line item is reduced by \$250,000 Gross (\$0 GF/GP), eliminating state restricted Healthy Michigan Funds to this line item for early hearing detection and screening, received since FY 2004-05; this is one of five budget areas where Healthy Michigan funding is reduced to recognize a reduction of available Fund revenue. The line item is increased by \$758,200 Gross (\$0 GF/GP) to reflect additional revenue from the annual fee increase for newborn screening.

The Tuberculosis Control and Recalcitrant AIDS Program line item name is changed to "Tuberculosis Control and Prevention".

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the Bioterrorism Preparedness line item for FY 2006-07 by \$92,900 Gross (\$0 GF/GP). The federal funds savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Epidemiology Administration line item for FY 2006-07 by \$92,500 Gross (\$58,100 GF/GP). The GF/GP, federal, and Michigan Health Initiative Fund savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Lead Abatement Program line item for FY 2006-07 by \$13,900 Gross (\$0 GF/GP). The federal funds savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Newborn Screening Follow-Up and Treatment Services line item for FY 2006-07 by \$6,800 Gross (\$0 GF/GP). The fee revenue savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

#### **PUBLIC ACT 17 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 17 reduces the Newborn Screening Follow-Up and Treatment Services line item by \$62,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for early hearing detection and screening, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 creates a new line item, Pandemic Influenza Drugs, and appropriates \$15,670,000 Gross (all GF/GP) for the purchase of antiviral drugs to be stockpiled pursuant to federal goals as part of national preparedness for a pandemic flu outbreak.



	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 110. EPIDEMIOLOGY</b>							
Full-time equated classified positions	134.5	135.5	135.5	134.5	135.5	134.5	134.5
AIDS surveillance and prevention program	2,419,900	2,254,100	2,254,100	2,254,100	2,254,100	2,254,100	2,254,100
Asthma prevention and control--* FTE positions	1,055,300	1,065,000	1,065,000	1,065,000	1,065,000	1,065,000	1,065,000
* positions in above line	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Bioterrorism preparedness--* FTE positions	50,605,200	50,953,300	50,953,300	50,953,300	50,953,300	50,953,300	50,953,300
* positions in above line	76.1	76.1	76.1	76.1	76.1	76.1	76.1
Epidemiology administration--* FTE positions	6,640,100	6,862,100	6,862,100	6,632,100	6,862,100	6,632,100	6,632,100
* positions in above line	41.1	42.1	42.1	41.1	42.1	41.1	41.1
Lead abatement program--* FTE positions	2,143,400	2,177,700	2,177,700	2,177,700	2,177,700	2,177,700	2,177,700
* positions in above line	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Newborn screening follow-up and treatment services--*	3,862,300	3,651,300	3,651,300	3,901,300	3,901,300	4,409,500	4,409,500
* positions in above line	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Tuberculosis control and recalcitrant AIDS program	867,000	867,000	867,000	0	0	0	0
Tuberculosis control and prevention	0	0	0	867,000	867,000	867,000	867,000
GROSS APPROPRIATION	67,593,200	67,830,500	67,830,500	67,850,500	68,080,500	68,358,700	68,358,700
Appropriated from:							
Federal revenues:							
Total federal revenues	61,099,500	61,210,800	61,210,800	61,210,800	61,210,800	61,210,800	61,210,800
Special revenue funds:							
Total private revenues	25,000	255,000	255,000	25,000	255,000	25,000	25,000
Total other state restricted revenues	4,307,600	4,113,000	4,113,000	4,363,000	4,363,000	4,871,200	4,871,200
State general fund/general purpose	2,161,100	2,251,700	2,251,700	2,251,700	2,251,700	2,251,700	2,251,700

### **LOCAL HEALTH ADMINISTRATION AND GRANTS**

The Implementation of 1993 PA 133, MCL 333.17015 line item is reduced by \$50,000 Gross (\$26,500 GF/GP) to recognize actual spending levels from the line. This includes the elimination of state restricted Healthy Michigan Funds to this line item of \$23,500, funded since FY 2003-04; it is one of five budget areas where Healthy Michigan funding is reduced to recognize a reduction of available Fund revenue.

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

There are no changes to the Local Public Health Operations line item.

The Medical Services Cost Reimbursement to Local Health Departments line item is increased by \$890,000 Gross (\$0 GF/GP) of federal authorization to recognize increased federal Medicaid reimbursement of outreach costs incurred by local public health departments.

### **FY 2006-07 SUPPLEMENTAL ACTIONS**

#### **PUBLIC ACT 17 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 17 reduces the Implementation of 1993 PA 133, MCL 333.17015 line item by \$23,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for informed consent materials, and uses the savings to offset Medicaid GF/GP costs.

	FY 2006-07	FY 2007-08 EXECUTIVE	FY 2007-08 REVISED EXEC.	FY 2007-08 HOUSE	FY 2007-08 SENATE	FY 2007-08 ENROLLED	FY 2007-08
FY 2007-08	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	YEAR-TO-DATE	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS</b>							
Implementation of 1993 PA 133, MCL 333.17015	100,000	76,500	76,500	100,000	66,500	50,000	50,000
Local health services	220,000	200,000	200,000	220,000	0	220,000	220,000
Local public health operations	40,618,400	40,618,400	40,618,400	40,618,400	40,318,400	40,618,400	40,618,400
Medical services cost reimbursement to local health dep	3,110,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
<b>GROSS APPROPRIATION</b>	<b>44,048,400</b>	<b>44,894,900</b>	<b>44,894,900</b>	<b>44,938,400</b>	<b>44,384,900</b>	<b>44,888,400</b>	<b>44,888,400</b>
Appropriated from:							
Federal revenues:							
Total federal revenues	3,110,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Special revenue funds:							
Total local revenues	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000
Total other state restricted revenues	243,500	200,000	200,000	243,500	0	220,000	220,000
State general fund/general purpose	35,544,900	35,544,900	35,544,900	35,544,900	35,234,900	35,518,400	35,518,400

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

There are no changes to the African-American Male Health Initiative line item.

There are no changes to the AIDS and Risk Reduction Clearinghouse and Media Campaign line item.

The Alzheimer's Information Network line item is reduced by \$23,400 Gross (\$0 GF/GP) to recognize a reduction of the ongoing federal Preventive Health and Health Services Block Grant, affecting funds available for Alzheimer's and other dementia programs.

The Cancer Prevention and Control Program line item receives employee-related economic increases of \$23,200 Gross (\$0 GF/GP) for a salary and wage increase, \$20,300 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$3,300 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$8,700 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The line item is increased by 3.0 FTEs to reflect use of state employees rather than contractual employees to comply with conditions of federal cancer grants, as part of a review of contractual services and conversion for financial and /or accountability benefits.

The Chronic Disease Prevention line item receives employee-related economic increases of \$13,300 Gross (\$0 GF/GP) for a salary and wage increase, \$15,000 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$3,300 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$7,100 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The line item is reduced by \$163,800 Gross (\$0 GF/GP) to recognize a reduction of the ongoing federal Preventive Health and Health Services Block Grant, affecting funds available for chronic disease prevention programs and services.

The Diabetes and Kidney Program line item receives employee-related economic increases of \$24,700 Gross (\$0 GF/GP) for a salary and wage increase, \$21,600 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$7,500 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$8,900 Gross (\$0 GF/GP) is made to reflect a

reduction in defined contribution retirement costs. The line item is increased by 1.0 FTE and \$279,500 Gross (\$0 GF/GP) to recognize an increase of federal Diabetes Control grant funds. The line item is reduced by \$26,300 Gross (\$0 GF/GP) to recognize a reduction of the ongoing federal Preventive Health and Health Services Block Grant, affecting funds available for diabetes and kidney programs and services. Funding added in Fiscal Year 2006-07 of \$25,000 Gross (all GF/GP) for a diabetes management pilot project in Muskegon County is eliminated. The line item is increased by 1.0 FTE to reflect use of a state employee rather than a contractual employee for Healthy Michigan Funded diabetes projects as part of a review of contractual services and conversion for financial and /or accountability benefits.

The Health Education, Promotion, and Research Programs line item receives employee-related economic increases of \$22,800 Gross (\$11,400 GF/GP) for a salary and wage increase, \$25,400 Gross (\$15,400 GF/GP) for defined benefit retirement costs, and \$6,500 Gross (\$3,200 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$11,900 Gross (\$7,700 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The line item is reduced by \$3,800 Gross (all GF/GP) removing funding associated with the completed 5-year sick leave payout to employees participating in the 2002 early retirement program.

The Injury Control Intervention Project line item receives employee-related economic increases of \$2,400 Gross (all GF/GP) for a salary and wage increase, \$500 Gross (all GF/GP) for defined contribution retirement costs, and \$700 Gross (all GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase.

There are no changes to the Michigan Parkinson's Foundation line item.

There are no changes to the Morris Hood Wayne State University Diabetes Outreach line item.

There are no changes to the Physical Fitness, Nutrition, and Health line item.

The Public Health Traffic Safety Coordination line item receives employee-related economic increases of \$3,600 Gross (\$0 GF/GP) for a salary and wage increase, \$2,500 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$1,200 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage

increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$900 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The item is reduced by \$234,900 Gross (\$0 GF/GP) with the completion of the federal grant award for community-based interventions to reduce motor vehicle-related injuries, funded since Fiscal Year 2003-04.

The Smoking Prevention Program line item receives employee-related economic increases of \$47,700 Gross (\$0 GF/GP) for a salary and wage increase, \$46,600 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$14,600 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$20,900 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs.

There are no changes to the Tobacco Tax Collection and Enforcement line item.

The Violence Prevention line item receives employee-related economic increases of \$5,600 Gross (\$0 GF/GP) for a salary and wage increase, \$1,100 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$2,000 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. The line item is reduced by \$316,100 Gross (\$0 GF/GP) to recognize completion of the longstanding federal grant award for domestic violence, also known as "surveillance of intimate partner violence" grant, funded at least since Fiscal Year 1998-99. The line item is reduced by \$100,000 Gross (\$0 GF/GP) to recognize completion of the 2-year federal ESCAPE grant award (Enhancing State Capacity to Address Child and Adolescent Health through Violence Prevention), funded since Fiscal Year 2005-06. The line item is increased by \$400,000 Gross (\$0 GF/GP) to recognize federal funding from a new 3-year Suicide Prevention grant award to develop youth suicide prevention and early intervention strategies.

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the Cancer Prevention and Control Program line item for FY 2006-07 by \$19,400 Gross (\$0 GF/GP). The Healthy Michigan Fund and federal funds savings are obtained from two revisions to the defined benefit

retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Chronic Disease Prevention line item for FY 2006-07 by \$16,700 Gross (\$0 GF/GP). The federal and Healthy Michigan Fund savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Diabetes and Kidney Program line item for FY 2006-07 by \$27,100 Gross (\$0 GF/GP). The federal funds and Healthy Michigan Fund savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Health Education, Promotion, and Research Programs line item for FY 2006-07 by \$27,000 Gross (\$14,400 GF/GP). The GF/GP and Michigan Health Initiative Fund savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Public Health Traffic Safety Coordination line item for FY 2006-07 by \$1,800 Gross (\$0 GF/GP). The federal funds savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Smoking Prevention Program line item for FY 2006-07 by \$19,100 Gross (\$0 GF/GP). The federal funds and Healthy Michigan Fund savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Violence Prevention line item for FY 2006-07 by \$900 Gross (\$0 GF/GP). The federal funds savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

**PUBLIC ACT 17 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 17 reduces the Alzheimer's Information Network line item by \$72,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for dementia network programs, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Cancer Prevention and Control Program line item by \$396,700 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for cancer prevention, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Chronic Disease Prevention line item by \$453,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for arthritis (\$12,500), osteoporosis (\$50,000), Huntington's Disease (\$12,500), and cardiovascular (\$378,000) programs, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Diabetes and Kidney Program line item by \$400,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for diabetes prevention, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Michigan Parkinson's Foundation line item by \$12,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Morris Hood Wayne State University Diabetes Outreach line item by \$100,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Smoking Prevention Program line item by \$409,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds, and uses the savings to offset Medicaid GF/GP costs.

**PUBLIC ACT 41 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 41 increases the Morris Hood Wayne State University Diabetes Outreach line item by \$25,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds to partially reverse Public Act 17 reductions. The funding increase is offset with a reduction to the Pregnancy Prevention Program line item for a net \$0 Healthy Michigan Fund change across the Department.



	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b>							
Full-time equated classified positions	65.5	53.1	53.1	70.5	52.1	70.5	70.5
African-American male health initiative	106,700	106,700	106,700	106,700	106,700	106,700	106,700
AIDS and risk reduction clearinghouse and media camp	1,576,000	1,576,000	1,576,000	1,576,000	1,576,000	1,576,000	1,576,000
Alzheimer's information network	412,900	99,500	99,500	389,500	99,500	389,500	389,500
Cancer prevention and control program--* FTE positions	15,145,400	13,596,600	13,596,600	15,183,500	12,596,600	15,183,500	15,183,500
* positions in above line	15.3	13.0	13.0	18.3	13.0	18.3	18.3
Chronic disease prevention--* FTE positions	4,416,900	2,279,400	2,279,400	4,277,600	2,279,400	4,277,600	4,277,600
* positions in above line	10.0	1.1	1.1	10.0	1.1	10.0	10.0
Diabetes and kidney program--* FTE positions	3,726,400	1,809,300	1,809,300	3,999,500	1,684,300	3,999,500	3,999,500
* positions in above line	11.1	9.9	9.9	13.1	9.9	13.1	13.1
Health education, promotion, and research programs--*	770,000	809,000	809,000	809,000	809,000	809,000	809,000
* positions in above line	9.3	9.3	9.3	9.3	9.3	9.3	9.3
Injury control intervention project--* FTE positions	100,900	104,500	104,500	104,500	0	104,500	104,500
* positions in above line	1.0	1.0	1.0	1.0	0.0	1.0	1.0
Michigan Parkinson's foundation	50,000	0	0	50,000	0	50,000	50,000
Morris Hood Wayne State University diabetes outreach	400,000	0	0	400,000	0	400,000	400,000
Physical fitness, nutrition, and health	700,000	700,000	700,000	700,000	0	700,000	700,000
Public health traffic safety coordination--* FTE positions	584,900	356,400	356,400	356,400	356,400	356,400	356,400
* positions in above line	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Smoking prevention program--* FTE positions	5,632,400	4,032,000	4,032,000	5,720,400	2,032,000	5,720,400	5,720,400
* positions in above line	15.1	15.1	15.1	15.1	15.1	15.1	15.1
Tobacco tax collection and enforcement	610,000	610,000	610,000	610,000	610,000	610,000	610,000
Violence prevention--* FTE positions	1,896,900	1,889,500	1,889,500	1,889,500	1,889,500	1,889,500	1,889,500
* positions in above line	2.0	2.0	2.0	2.0	2.0	2.0	2.0
GROSS APPROPRIATION	36,129,400	27,968,900	27,968,900	36,172,600	24,039,400	36,172,600	36,172,600
Appropriated from:							
Federal revenues:							
Total federal revenues	19,987,500	19,953,400	19,953,400	19,953,400	19,953,400	19,953,400	19,953,400
Special revenue funds:							
Total private revenues	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Total other state restricted revenues	14,901,700	6,753,200	6,753,200	14,981,900	2,953,200	14,981,900	14,981,900
State general fund/general purpose	1,155,200	1,177,300	1,177,300	1,152,300	1,047,800	1,152,300	1,152,300

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

The Childhood Lead Program line item receives employee-related economic increases of \$11,600 Gross (\$1,000 GF/GP) for a salary and wage increase, \$9,000 Gross (\$800 GF/GP) for defined benefit retirement costs, and \$4,400 Gross (\$400 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$3,600 Gross (\$300 GF/GP) is made to reflect a reduction in defined contribution retirement costs.

There are no changes to the Dental Programs line item.

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

There are no changes to the Early Childhood Collaborative Secondary Prevention line item.

The Family, Maternal, and Children's Health Services Administration line item receives employee-related economic increases of \$104,800 Gross (\$50,900 GF/GP) for a salary and wage increase, \$111,400 Gross (\$54,500 GF/GP) for defined benefit retirement costs, and \$34,200 Gross (\$16,400 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$51,200 Gross (\$25,100 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds are restored to the line item totaling \$164,700 Gross (all GF/GP); these funds were removed in the FY 2005-06 budget in anticipation of contractual and information technology cost savings in family, maternal, and children's health services administration but the savings were achieved in other budget areas. The line item is reduced by \$13,000 Gross (all GF/GP) removing funding associated with the completed 5-year sick leave payout to employees participating in the 2002 early retirement program. Administrative funding in the line item for staff, contractual services, supplies, and materials is reduced by \$41,200 Gross (all GF/GP) to achieve GF/GP savings.

The Family Planning Local Agreements line item is reduced by \$2,250,000 Gross (\$0 GF/GP) of federal Title XIX Medicaid funds authorization that was added to the line item in Fiscal Year 2003-04 in anticipation of federal approval of a family planning waiver to the Medicaid program. The Department implemented the approved waiver in Fiscal Year 2005-06 and has determined that the program funding and savings do not affect this line item. The line item is reduced by

\$226,500 Gross (\$0 GF/GP) as one of five budget areas where state restricted Healthy Michigan funding is reduced to recognize a reduction of available Fund revenue.

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

There are no changes to the Migrant Health Care line item.

The Pregnancy Prevention Program line item is reduced by \$98,000 Gross (\$0 GF/GP) to recognize a reduction of the ongoing federal Preventive Health and Health Services Block Grant, affecting funds available for pregnancy prevention programs and services. The line item is reduced by \$400,000 Gross (\$0 GF/GP) as one of five budget areas where state restricted Healthy Michigan funding is reduced to recognize a reduction of available Fund revenue.

There are no changes to the Prenatal Care Outreach and Service Delivery Support line item.

There are no changes to the School Health and Education Programs line item.

The Special Projects line item is increased by the following amounts to recognize increases in federal grants: \$55,000 Gross (\$0 GF/GP) from the federal Early Hearing Detection and Intervention grant, \$50,000 Gross (\$0 GF/GP) from the federal Fetal Alcohol Syndrome Prevention grant, and \$600,000 Gross (\$0 GF/GP) of federal Medicaid funding for infant mortality projects as a match to existing Healthy Michigan Fund appropriations. The line item is reduced by \$845,000 Gross (\$0 GF/GP) to reflect current actual grant revenue from the federal Michigan Abstinence Partnership (MAP) grant. The line item is increased by \$114,800 Gross (\$0 GF/GP) for a new federal Oral Health Workforce Grant award to improve access to oral health services for children in medically underserved communities and populations, including school-based sealant programs. The Special Projects line item is increased by \$140,000 Gross (\$0 GF/GP) for a new federal Early Childhood Systems grant to develop local collaboratives for comprehensive systems of care for children under age 6. The line item is reduced by \$30,000 Gross (all GF/GP) eliminating funds appropriated in Fiscal Year 2006-07 for creation of a website regarding the Safe Delivery of Newborns Act. The line item is increased by 4.0 FTEs to reflect use of state employees rather than contractual employees to comply with conditions of federally funded early hearing project grants, as part of a review of contractual services and conversion for financial and/or accountability benefits. The line item is increased by \$50,000 Gross (all GF/GP) for a vision services program, the Special Needs Vision Clinic in Saginaw County.

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

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the Childhood Lead Program line item for FY 2006-07 by \$7,800 Gross (\$0 GF/GP). The federal funds savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

Executive Order 2007-3 reduces the Family, Maternal, and Children's Health Services Administration line item for FY 2006-07 by \$120,500 Gross (\$58,800 GF/GP). The GF/GP and federal funds savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

### **PUBLIC ACT 7 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 7 increases the Special Projects line item by \$250,000 Gross (\$0 GF/GP) to authorize spending of a private grant from Delta Dental Corporation that will fund dental sealants for low-income children ages birth through 5.

### **PUBLIC ACT 17 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 17 reduces the Childhood Lead Program line item by \$250,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for lead poisoning prevention, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Dental Programs line item by \$37,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for donated dental services for uninsured disabled persons, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Family Planning Local Agreements line item by \$158,700 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Local MCH Services line item by \$61,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for local maternal and child health programs, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Pregnancy Prevention Program line item by \$500,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds, and uses the savings to offset Medicaid GF/GP costs.

Public Act 17 reduces the Special Projects line item by \$100,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for infant mortality (\$50,000) and nurse family partnership (\$50,000) programs, and uses the savings to offset Medicaid GF/GP costs.

**PUBLIC ACT 41 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 41 reduces the Pregnancy Prevention Program line item by \$25,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds. The funds are used to partially reverse Public Act 17 reductions to the Morris Hood Wayne State University Diabetes Outreach line item in the amount of \$25,000 for a net \$0 Healthy Michigan Fund change across the Department.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES</b>							
Full-time equated classified positions	50.4	54.4	54.4	54.4	54.4	54.4	54.4
Childhood lead program--* FTE positions	2,536,100	1,557,500	1,557,500	2,557,500	1,557,500	2,557,500	2,557,500
* positions in above line	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Dental programs	485,400	335,400	335,400	485,400	485,400	485,400	485,400
Dental program for persons with developmental disabilities	151,000	151,000	151,000	151,000	151,000	151,000	151,000
Early childhood collaborative secondary prevention	524,000	524,000	524,000	524,000	0	524,000	524,000
Family, maternal, and children's health services administration	4,780,600	5,090,300	5,090,300	5,090,300	5,090,300	5,090,300	5,090,300
* positions in above line	41.6	41.6	41.6	41.6	41.6	41.6	41.6
Family planning local agreements	12,270,300	11,635,700	11,635,700	10,020,300	11,635,700	9,793,800	9,793,800
Local MCH services	7,264,200	7,018,100	7,018,100	7,264,200	5,442,600	7,264,200	7,264,200
Migrant health care	272,200	272,200	272,200	272,200	300,000	272,200	272,200
Pregnancy prevention program	5,733,400	5,602,100	5,602,100	5,635,400	3,102,100	5,235,400	5,235,400
Prenatal care outreach and service delivery support	3,049,300	3,049,300	3,049,300	3,049,300	3,049,300	3,049,300	3,049,300
School health and education programs	500,000	0	0	500,000	0	500,000	500,000
Special projects--* FTE positions	6,214,900	5,929,700	5,929,700	6,324,700	6,199,700	6,349,700	6,349,700
* positions in above line	2.0	6.0	6.0	6.0	6.0	6.0	6.0
Sudden infant death syndrome program	321,300	321,300	321,300	321,300	321,300	321,300	321,300
GROSS APPROPRIATION	44,102,700	41,486,600	41,486,600	42,195,600	37,334,900	41,594,100	41,594,100
Appropriated from:							
Federal revenues:							
Total federal revenues	30,411,300	30,550,100	30,550,100	28,300,100	30,614,000	28,300,100	28,300,100
Special revenue funds:							
Total other state restricted revenues	8,664,000	5,700,000	5,700,000	8,664,000	1,774,500	8,037,500	8,037,500
State general fund/general purpose	5,027,400	5,236,500	5,236,500	5,231,500	4,946,400	5,256,500	5,256,500

## **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

The Women, Infants, and Children Program Administration and Special Projects line item receives employee-related economic increases of \$101,700 Gross (\$0 GF/GP) for a salary and wage increase, \$76,200 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$33,500 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$28,000 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The line item is increased by \$444,600 Gross (\$0 GF/GP) to recognize increased federal WIC program grant funds for administration costs. The federal funds authorization for the line item is increased by \$814,500 Gross (\$0 GF/GP) in anticipation of additional federal WIC infrastructure grant funds to continue the implementation and expansion of the electronic benefit card system project. The line item is increased by 1.0 FTE and \$328,900 Gross (\$0 GF/GP) to recognize new federal grant funds for a WIC breastfeeding peer counseling program.

The Women, Infants, and Children Program Local Agreements and Food Costs line item is increased by \$14,001,600 Gross (\$0 GF/GP) to recognize the anticipated increase in the federal WIC program grant.

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the Women, Infants, and Children Program Administration and Special Projects line item for FY 2006-07 by \$153,900 Gross (\$0 GF/GP). The federal funds savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

### **PUBLIC ACT 41 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 41 increases the Women, Infants, and Children Program Administration and Special Projects line item by \$713,000 Gross (\$0 GF/GP) to reflect additional federal grant funds available for administration.

Public Act 41 increases the Women, Infants, and Children Program Local Agreements and Food Costs line item by \$10,000,000 Gross (\$0 GF/GP) to reflect additional federal grant funds available for WIC food costs based on increases in caseload and food prices.



	FY 2006-07	FY 2007-08 EXECUTIVE	FY 2007-08 REVISED EXEC.	FY 2007-08 HOUSE	FY 2007-08 SENATE	FY 2007-08 ENROLLED	FY 2007-08
FY 2007-08	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	YEAR-TO-DATE	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM</b>							
Full-time equated classified positions	41.0	42.0	42.0	42.0	42.0	42.0	42.0
Women, infants, and children program administration and	6,681,000	8,452,100	8,452,100	8,452,100	8,452,100	8,452,100	8,452,100
* positions in above line	41.0	42.0	42.0	42.0	42.0	42.0	42.0
Women, infants, and children program local agreements	179,272,000	183,273,600	183,273,600	183,273,600	183,273,600	193,273,600	193,273,600
GROSS APPROPRIATION	185,953,000	191,725,700	191,725,700	191,725,700	191,725,700	201,725,700	201,725,700
Appropriated from:							
Federal revenues:							
Total federal revenues	132,714,900	138,481,800	138,481,800	138,481,800	138,481,800	148,481,800	148,481,800
Special revenue funds:							
Total private revenues	53,238,100	53,243,900	53,243,900	53,243,900	53,243,900	53,243,900	53,243,900
State general fund/general purpose	0	0	0	0	0	0	0

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

GF/GP is reduced by \$3,000 in the Children's Special Health Care Services Administration line removing funding associated with the completed 5-year sick leave payout to employees participating in the 2002 early retirement program. The line receives an additional 1.0 FTE, an increase of \$85,000 state restricted with the position to handle the increased processing load of patient pay agreements which have increased from 1,200 to 10,000 agreements annually. The line is reduced by \$20,700 GF/GP representing administrative services savings. The line item receives employee-related economic increases of \$91,000 Gross (\$49,300 GF/GP) for a salary and wage increase, \$50,000 Gross (\$27,000 GF/GP) for defined benefit retirement costs, and \$37,100 Gross (\$20,100 GF/GP) for increased insurance costs. A decrease of \$13,200 Gross (\$7,100 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The salary and wage adjustment is a funding increase of 4.0%. An additional \$300,000 GF/GP is necessary for identified matchable services, and is offset by a like amount of excess federal authorization within the line, with the GF/GP being transferred in from the Medical Care and Treatment line.

There are no appropriation changes to the Amputee Program line item.

The Bequests for Care and Services line is decreased by \$374,500 state restricted reflecting a change in the patient pay agreement program where under certain circumstances premiums were refunded. Repayments have ended so restricted revenue payment authorization is reduced by \$374,500.

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

The Nonemergency Medical Transportation line item is increased \$112,000 Gross (\$89,600 GF/GP) providing an increase for FY 2007-08 estimated utilization, inflation and caseload growth for CSHCS non-emergency medical transportation.

The Medical Care and Treatment line is increased by \$17,490,300 Gross (\$9,008,200 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are increased by \$2,342,900 while GF/GP revenues are decreased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%. Savings of \$944,500 Gross (\$615,200 GF/GP) are transferred to other lines within the department where contractual savings had been budgeted. Savings within this line are generated by reducing the fee screens for oxygen concentrators, enteral formula and diabetes strips. The Maternal and Child Health block grant fund support of this line is reduced \$1,164,000. Federal funds are increased by \$300,000 offsetting a like reduction of GF/GP which was transferred out of this line to the Children's Special Health Care Services Administration line to be used for identified

matchable services.

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-03**

EO 2007-03 reduces the Children's Special Health Care Services line by \$189,000 Gross (\$101,600 GF/GP) and the Bequests for Care and Services line by \$4,100 state restricted due to retirement rate reduction savings.

### **PUBLIC ACT 41 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 41 increases the Medical Care and Treatment line item by \$14,251,600 Gross (\$9,077,100 GF/GP) for FY 2006-07, for anticipated inflation, caseload, and utilization agreed to by the House and Senate Fiscal Agencies, and State Budget Office.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>							
Full-time equated classified positions	44.0	45.0	45.0	45.0	45.0	45.0	45.0
Children's special health care services administration--*	4,296,900	4,523,100	4,523,100	4,523,100	4,523,100	4,523,100	4,523,100
* positions in above line	44.0	45.0	45.0	45.0	45.0	45.0	45.0
Amputee program	184,600	184,600	184,600	184,600	184,600	184,600	184,600
Bequests for care and services	1,889,100	1,889,100	1,889,100	1,514,600	1,889,100	1,514,600	1,514,600
Outreach and advocacy	3,773,500	3,773,500	3,773,500	3,773,500	3,773,500	3,773,500	3,773,500
Non-emergency medical transportation	1,289,100	1,401,100	1,401,100	1,401,100	1,401,100	1,401,100	1,401,100
Medical care and treatment	173,641,600	179,894,900	193,406,600	193,781,100	188,648,900	189,023,400	189,023,400
<b>GROSS APPROPRIATION</b>	<b>185,074,800</b>	<b>191,666,300</b>	<b>205,178,000</b>	<b>205,178,000</b>	<b>200,420,300</b>	<b>200,420,300</b>	<b>200,420,300</b>
Appropriated from:							
Federal revenues:							
Total federal revenues	90,016,200	96,202,800	101,957,300	101,872,300	99,530,900	99,445,900	99,445,900
Special revenue funds:							
Total private revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total other state restricted revenues	2,584,500	2,210,000	2,210,000	2,295,000	2,210,000	2,295,000	2,295,000
State general fund/general purpose	91,474,100	92,253,500	100,010,700	100,010,700	97,679,400	97,679,400	97,679,400

**OFFICE OF DRUG CONTROL POLICY**

## **OFFICE OF DRUG CONTROL POLICY**

The Drug Control Policy line item receives employee-related economic increases of \$38,700 Gross (\$6,100 GF/GP) for a salary and wage increase, \$43,800 Gross (\$7,100 GF/GP) for defined benefit retirement costs, and \$12,100 Gross (\$1,700 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$20,700 Gross (\$3,400 GF/GP) is made to reflect a reduction in defined contribution retirement costs. The line item appropriation is decreased by the following amounts to reflect federal grant program reductions: \$128,100 Gross (\$0 GF/GP) of Byrne Justice Assistance Grant funds, \$217,800 Gross (\$0 GF/GP) of Safe and Drug Free Schools and Communities Act Grant funds, \$76,300 Gross (\$0 GF/GP) of the Governor's Discretionary component of the Safe and Drug Free Schools and Communities Act Grant funds, and \$3,000 Gross (\$0 GF/GP) of Residential Substance Abuse Treatment Grant funds. The line item is reduced by \$6,300 Gross (all GF/GP) removing funding associated with the completed 5-year sick leave payout to employees participating in the 2002 early retirement program.

The Anti-Drug Abuse Grants line item appropriation is decreased by the following amounts to reflect significant federal grant program reductions: \$3,783,100 Gross (\$0 GF/GP) of Byrne Justice Assistance Grant funds, \$1,128,400 Gross (\$0 GF/GP) of Safe and Drug Free Schools and Communities Act Grant funds, \$383,800 Gross (\$0 GF/GP) of the Governor's Discretionary component of the Safe and Drug Free Schools and Communities Act Grant funds, and \$1,000,000 Gross (\$0 GF/GP) of Residential Substance Abuse Treatment Grant funds. The line item is reduced by \$1,235,100 Gross (all GF/GP) eliminating all GF/GP funds in this line item for GF/GP savings; the funding was added in FY 2006-07 to replace a portion of reduced federal funding, but at year-end was unexpended as federal funding actually received had exceeded the budgeted amount.

There are no changes to the Interdepartmental Grant to Judiciary for Drug Treatment Courts line item.

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the Drug Control Policy line item for FY 2006-07 by \$52,200 Gross (\$18,000 GF/GP). The GF/GP and federal funds savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

	FY 2006-07	FY 2007-08 EXECUTIVE	FY 2007-08 REVISED EXEC.	FY 2007-08 HOUSE	FY 2007-08 SENATE	FY 2007-08 ENROLLED	FY 2007-08
FY 2007-08	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	YEAR-TO-DATE	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 116. OFFICE OF DRUG CONTROL POLICY</b>							
Full-time equated classified positions	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Drug control policy--* FTE positions	2,104,600	1,747,000	1,747,000	1,747,000	1,597,000	1,747,000	1,747,000
* positions in above line	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Anti-drug abuse grants	16,105,400	9,810,100	9,810,100	9,810,100	9,810,100	8,575,000	8,575,000
Interdepartmental grant to judiciary for drug treatment c	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
<b>GROSS APPROPRIATION</b>	<b>20,010,000</b>	<b>13,357,100</b>	<b>13,357,100</b>	<b>13,357,100</b>	<b>13,207,100</b>	<b>12,122,000</b>	<b>12,122,000</b>
Appropriated from:							
Federal revenues:							
Total federal revenues	18,399,500	11,741,400	11,741,400	11,741,400	11,649,900	11,741,400	11,741,400
State general fund/general purpose	1,610,500	1,615,700	1,615,700	1,615,700	1,557,200	380,600	380,600

**CRIME VICTIM  
SERVICES COMMISSION**



## **CRIME VICTIM SERVICES COMMISSION**

The Grants Administration Services line item receives employee-related economic increases of \$22,800 Gross (\$0 GF/GP) for a salary and wage increase, \$168,400 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$8,200 Gross (\$0 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$9,800 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs.

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

The Crime Victim Rights Services Grants line item is increased by \$200,000 Gross (\$0 GF/GP) to recognize additional federal Victims of Crime Act grant funds for victim compensation, an amount determined by formula based on prior year state expenditures for compensation.

A new line item is established, Crime Victim's Rights Fund Revenue to Michigan State Police, to appropriate \$1,027,300 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund monies for an interdepartmental grant to the Michigan Department of State Police, to replace GF/GP, for costs for the following State Police programs: sex offender registry, amber alert missing child notification system, polygraph testing, and forensic science expert witness testimony. Statutory revisions are required for these new uses of the Fund, as offered in HB 5355.

A second new line item is established, Crime Victim's Rights Fund Revenue to Department of Human Services, to appropriate \$1,300,000 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund monies for an interdepartmental grant to the Michigan Department of Human Services, to replace federal Temporary Assistance for Needy Families (TANF) funds, for costs for sexual assault and rape victim services programs. Statutory revisions are required for these new uses of the Fund, as offered in HB 5355.

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the Grants Administration Services line item for FY 2006-07 by \$36,700 Gross (\$0 GF/GP). The state restricted Crime Victim's Rights Fund and federal funds savings are obtained from two revisions to the

defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

**PUBLIC ACT 17 of 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 17 creates a new line item, Crime Victim's Rights Fund Revenue to the Department of Human Services, and appropriates \$1,300,000 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund available balance for an interdepartmental grant to the Department of Human Services for services for rape and sexual assault victims, replacing federal TANF funds. Statutory changes were required for these new uses of the Fund, but were opposed in the Legislature (HB 5355), and consequently these supplemental funds were not expended in FY 2006-07.

**PUBLIC ACT 41 of 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 41 creates a new line item, Crime Victims Rights Fund Revenue to Michigan State Police, and appropriates \$1,033,200 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund available balance for an interdepartmental grant to the Michigan Department of State Police, to replace GF/GP, for costs for the sex offender registry, amber alert missing child notification system, polygraph tests and forensic science expert witness testimony programs. Statutory changes were required for these new uses of the Fund, but were opposed in the Legislature (HB 5355), and consequently these supplemental funds were not expended in FY 2006-07.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 117. CRIME VICTIM SERVICES COMMISSION</b>							
Full-time equated classified positions	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Grants administration services--* FTE positions	1,087,500	1,277,100	1,277,100	1,277,100	1,277,100	1,277,100	1,277,100
* positions in above line	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Justice assistance grants	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Crime victim rights services grants	10,800,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Crime victim's rights fund revenue to Michigan state poli	0	1,027,300	1,027,300	1,027,300	1,027,300	1,027,300	1,027,300
Crime victim's rights fund revenue to department of hum	0	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
<b>GROSS APPROPRIATION</b>	<b>24,887,500</b>	<b>27,604,400</b>	<b>27,604,400</b>	<b>27,604,400</b>	<b>27,604,400</b>	<b>27,604,400</b>	<b>27,604,400</b>
Appropriated from:							
Federal revenues:							
Total federal revenues	14,770,300	14,998,600	14,998,600	14,998,600	14,998,600	14,998,600	14,998,600
Special revenue funds:							
Total other state restricted revenues	10,117,200	12,605,800	12,605,800	12,605,800	12,605,800	12,605,800	12,605,800
State general fund/general purpose	0	0	0	0	0	0	0

**OFFICE OF SERVICES  
TO THE AGING**

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

There are no changes to the Commission (Per Diem \$50.00) line item.

The Office of Services to Aging Administration line item receives employee-related economic increases of \$94,500 Gross (\$35,900 GF/GP) for a salary and wage increase, \$102,900 Gross (\$39,100 GF/GP) for defined benefit retirement costs, and \$33,200 Gross (\$12,000 GF/GP) for insurance cost increases of 7.2%. The salary and wage adjustment is a funding increase of 4.0%: one percent to annualize the cost in the budget of the April 2007 wage increase, 2% for an October 1, 2007 wage increase, and 1% to pay for an April 2008 2% wage increase. A decrease of \$47,800 Gross (\$18,200 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Two federal fund source adjustments are made with a net \$0 Gross (\$0 GF/GP) impact, to reflect actual federal revenues anticipated: reduces federal Medicaid authorization by \$26,300, and increases federal Title VII A authorization for the state long term care ombudsman program by \$26,300. The line item is reduced by \$3,600 Gross (all GF/GP) removing funding associated with the completed 5-year sick leave payout to employees participating in the 2002 early retirement program. Administrative funding for aging administration staff, contractual services, supplies, and materials is reduced by \$70,800 Gross (\$35,400 GF/GP) to achieve GF/GP savings; the GF/GP reduction will cause a like reduction of federal funds. The line item is reduced by \$85,000 Gross (\$0 GF/GP) with the transfer of private funding from this line item to the Nutrition Services line item to consolidate and reorganize the appropriations for the Senior Farmer's Market Nutrition Program, Project FRESH, as an ongoing program.

There are no changes to the Community Services line item.

The Nutrition Services line item is increased by \$500,000 Gross (\$0 GF/GP) of federal Senior Farmers' Market Nutrition Program grant funds for the Project FRESH program, to reflect actual federal award funds anticipated from the U. S. Department of Agriculture. The line item is increased by \$132,000 Gross (\$0 GF/GP) of private funds, including \$85,000 transferred from the Office of Services to Aging Administration line item to consolidate and reorganize the appropriations for the Senior Farmers' Market Nutrition program, Project FRESH, as an ongoing program, and \$47,000 to reflect an estimated increase in local funds for expansion of the program to additional counties.

There are no changes to the Foster Grandparent Volunteer Program line item

There are no changes to the Retired and Senior Volunteer Program line item.

There are no changes to the Senior Companion Volunteer Program line item.

There are no changes to the Employment Assistance line item.

The Respite Care Program line item is reduced by \$800,000 Gross (\$0 GF/GP) of state restricted Senior Care Respite Fund monies to recognize the decline of revenues to the Fund that have been available for expenditure over the past few years, reducing the line item authorization for this Fund from \$2.6 million to \$1.8 million.

### **FY 2006-07 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2007-3**

Executive Order 2007-3 reduces the Office of Services to Aging Administration line item for FY 2006-07 by \$86,200 Gross (\$40,100 GF/GP). The GF/GP and federal funds savings are obtained from two revisions to the defined benefit retirement program for state employees: revaluation and recalculation of the rate, and revised contribution to the health advance subaccount.

#### **PUBLIC ACT 17 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 17 reduces the Nutrition Services line item by \$41,700 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for senior meals programs, and uses the savings to offset Medicaid GF/GP costs.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 118. OFFICE OF SERVICES TO THE AGING</b>							
Full-time equated classified positions	36.5	36.5	36.5	36.5	36.5	36.5	36.5
Commission (per diem \$50.00)	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Office of services to aging administration--* FTE position	5,324,100	5,347,500	5,347,500	5,347,500	5,347,500	5,347,500	5,347,500
* positions in above line	36.5	36.5	36.5	36.5	36.5	36.5	36.5
Community services	35,204,200	35,204,200	35,204,200	35,324,200	35,204,200	35,204,200	35,204,200
Nutrition services	37,290,500	37,708,500	37,708,500	37,922,500	37,708,500	37,922,500	37,922,500
Foster grandparent volunteer program	2,813,500	2,813,500	2,813,500	2,813,500	2,813,500	2,813,500	2,813,500
Retired and senior volunteer program	790,200	790,200	790,200	790,200	790,200	790,200	790,200
Senior companion volunteer program	2,021,200	2,021,200	2,021,200	2,021,200	2,021,200	2,021,200	2,021,200
Employment assistance	2,818,300	2,818,300	2,818,300	2,818,300	2,818,300	2,818,300	2,818,300
Respite care program	7,600,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000
GROSS APPROPRIATION	93,872,500	93,513,900	93,513,900	93,847,900	93,513,900	93,727,900	93,727,900
Appropriated from:							
Federal revenues:							
Total federal revenues	52,251,400	52,830,000	52,830,000	52,830,000	52,830,000	52,830,000	52,830,000
Special revenue funds:							
Total private revenues	105,000	105,000	105,000	152,000	105,000	152,000	152,000
Merit award trust fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total other state restricted revenues	2,767,000	1,800,000	1,800,000	1,967,000	1,800,000	1,967,000	1,967,000
State general fund/general purpose	33,749,100	33,778,900	33,778,900	33,898,900	33,778,900	33,778,900	33,778,900

# **MEDICAL SERVICES**



**MICHIGAN FIRST HEALTHCARE PLAN**

There are no appropriation changes to the Michigan First Healthcare Plan line item.

	FY 2006-07	FY 2007-08 EXECUTIVE	FY 2007-08 REVISED EXEC.	FY 2007-08 HOUSE	FY 2007-08 SENATE	FY 2007-08 ENROLLED	FY 2007-08
FY 2007-08	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	YEAR-TO-DATE	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN</b>							
Michigan first healthcare plan	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
GROSS APPROPRIATION	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Appropriated from:							
Federal revenues:							
Total federal revenues	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
State general fund/general purpose	0	0	0	0	0	0	0

## **MEDICAL SERVICES ADMINISTRATION**

The Medical Services Administration line item is reduced by \$98,400 Gross (\$49,200 GF/GP) due to the transfer of 1.0 FTE to the Health Policy, Regulation and Professions Administration line. The position duties include processing subpoenas related to subrogation for Medicaid worker's compensation and casualty third-party liability. A transfer of 4.0 FTEs and \$412,000 Gross (\$206,000 GF/GP) to the newly established Office of Long-Term Care Supports and Services budgeted within the Departmentwide Administration appropriation line reduces this line item. The FTEs will help implement the Long-Term Care Task Force recommendations. The line is increased by \$978,200 GF/GP, restoring funding that was taken in the FY 2006-07 budget in anticipation of contract and information technology cost savings. The line is reduced \$722,000 federal reflecting the end of a federal award that assisted in the State's dual eligible's transition to the Medicare Part D pharmaceutical program. A removal of \$36,700 GF/GP funding is associated with the completed 5-year sick leave payout to employees participating in the 2002 early retirement program.

The line is reduced \$2.0 million Gross (\$1.0 million GF/GP) that was available through an IDG to fund staff within DHS to do asset transfer lookbacks regarding Medicaid eligibility. Adds 1.0 FTE and funding of \$90,700 Gross (\$45,400 GF/GP) to the line to assist in the implementation of long-term care estate recovery. The line item receives employee-related economic increases of \$769,400 Gross (\$328,900 GF/GP) for a 4% salary and wage increase, \$639,600 Gross (\$273,400 GF/GP) for defined benefit retirement costs, and \$304,200 Gross (\$125,300 GF/GP) for increased insurance costs. A decrease of \$256,400 Gross (\$109,600 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Reduces the line by \$800,000 Gross (\$400,000 GF/GP) due to the elimination of a Medicaid eligibility vendor system contract with Emdeon, formerly Medifax. The line is increased \$200,000 Gross (\$95,000 state restricted, \$5,000 local) recognizing revenue from public hospitals to continue to process fee-for-service physician adjustor payments and to develop similar adjustor payments for HMO physician services.

The Facility Inspection Contract – State Police line name is changed to Facility Inspection Contract.

For the MIChild Administration line no changes were adopted.

The Health Information Technology Initiatives line is reduced by \$4.5 million Gross (\$2.3 million GF/GP) recognizing the elimination of a health information technology project in Southeast Michigan. A contractor has been identified with work to begin in FY 2006-07. A work project account would be established for FY 2007-08 activities.

## **FY 2006-07 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2007-03**

EO 2007-03 reduces the Medical Services Administration line by \$2,122,400 Gross (\$926,500 GF/GP) due to retirement rate reduction savings. The Health Information Technology Initiatives line is reduced by \$7,250,000 GF/GP with an offset of a like amount from the Health Professional Regulatory Fund as authorized in Public Act 7 of 2007.

### **PUBLIC ACT 7 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 153 increases the Health Information Technology Initiatives line item by \$7,250,000 of Health Professional Regulatory Fund revenue offsetting a like amount reduction of GF/GP as directed in Executive Order 2007-3.

	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 120. MEDICAL SERVICES ADMINISTRATION</b>							
Full-time equated classified positions	366.4	370.4	370.4	362.4	370.4	362.4	362.4
Medical services administration--* FTE positions	70,072,300	69,328,900	69,328,900	69,328,900	68,928,900	68,728,900	68,728,900
* positions in above line	366.4	370.4	370.4	362.4	370.4	362.4	362.4
Facility inspection contract - state police	132,800	0	0	0	0	0	0
Facility inspection contract	0	132,800	132,800	132,800	132,800	132,800	132,800
MICChild administration	4,327,800	4,327,800	4,327,800	4,327,800	4,327,800	4,327,800	4,327,800
Health information technology initiatives	9,500,000	10,000,000	10,000,000	5,000,000	10,000,000	5,000,000	5,000,000
GROSS APPROPRIATION	84,032,900	83,789,500	83,789,500	78,789,500	83,389,500	78,189,500	78,189,500
Appropriated from:							
Federal revenues:							
Total federal revenues	56,661,000	58,317,900	58,317,900	53,317,900	58,317,900	53,017,900	53,017,900
Special revenue funds:							
Total local revenues	0	0	0	0	0	5,000	5,000
Total other state restricted revenues	0	0	0	0	0	95,000	95,000
State general fund/general purpose	27,371,900	25,471,600	25,471,600	25,471,600	25,071,600	25,071,600	25,071,600

**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 originally proposed in the Executive Budget and the consensus staff estimates that were adopted in the enacted budget are summarized below:

<b>Medical Services Line Item</b>	<b>Initial Medicaid Base Adjustment</b>	<b>Staff Consensus Base Adjustment</b>
Hospital Services and Therapy	\$53,629,300	\$121,623,000
Physician Services	\$18,542,400	\$34,629,800
Medicare Premium Payments	\$49,240,200	\$34,581,200
Pharmaceutical Services	\$5,984,500	\$5,901,900
Home Health Services	\$7,191,100	\$21,097,100
Transportation	\$432,000	\$888,000
Auxiliary Medical Services	\$5,847,200	\$17,509,100
Ambulance Services	\$677,400	\$1,280,100
Long Term Care Services	\$26,045,400	\$27,774,600
Medicaid Home- and Community-Based Services Waiver	\$0 *	\$18,800,300
Adult Home Help	\$17,760,700 *	\$17,865,800
Personal Care Services	\$1,115,700 *	\$5,206,400
Health Plan Services	\$40,000,000	\$186,577,400
Federal Medicare Pharmaceutical Program	\$8,201,600	\$8,201,600
<b>Total</b>	<b>\$234,667,500</b>	<b>\$501,936,300</b>

\* Executive Recommendation included these amounts in the Long-Term Care Services line. The Enacted bill maintains as separate line items.

The Hospital Services and Therapy line is increased by \$121,623,000 Gross (\$48,991,800 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is increased by \$20,495,300 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. Federal funding is increased by \$63,000 and GF/GP decreased by the same amount to reflect a change in the federal SCHIP matching rate from 69.47% to 70.67%. Increases the line by \$2,325,000 Gross (\$974,200 GF/GP), reversing 3/4 of the FY 2006-07 budgeted savings due to a delay in implementing a health information technology initiative in southeast Michigan. Increases the line by \$150,000 Gross (\$62,900 GF/GP), reversing 1/2 of the FY 2006-07 budgeted savings due to the delay in the implementation of an increase in copay from \$3 to \$6 for a non-emergent emergency room visit.

Increases the line by \$25.0 million Gross (\$10,475,000 GF/GP), reversing 1/4 of the FY 2006-07 savings reflecting delayed implementation of the carve-in of GME payments into HMO rates. Within this line, an additional \$4.0 million hospital QAAP revenue is retained by the State offset the loss of \$4.0 million in special Medicaid financing GF/GP savings. The line is reduced \$2,325,000 Gross (\$974,200 GF/GP) annualizing savings generated by the health information technology initiative. A reduction within the line of \$150,000 Gross (\$62,900 GF/GP) annualizes savings generated by increasing the copay for non-emergent emergency room visits from \$3 to \$6. The line is reduced by \$25.0 million Gross (\$10,475,000 GF/GP) annualizing the carve-in of GME payments into HMO rates. A transfer out of \$38,393,000 Gross (\$16,086,700 GF/GP) from this line helps establish the new Plan First Family Planning Waiver line. Included is an additional \$20,925,300 Gross (\$8,767,700 state restricted) authorization to increase Medicaid payments to the upper payment limit. The increase is funded with restricted hospital quality assurance assessment program (QAAP) revenue along with Medicaid matching funds.

The line item is reduced by \$10.0 million Gross (\$4,190,000 GF/GP) to recognize savings from implementing the new Outpatient Prospective Payment System (OPPS). The reimbursement change will make Medicaid billing compatible with Medicare, and as a result, Medicaid will no longer pay outpatient co-payments for Medicare dual eligibles. Increased federal school-based services program savings of \$4,794,800 are transferred into this line and offset a like amount of GF/GP. The line is reduced \$3,747,000 Gross (\$1,570,000 GF/GP) anticipating Medicaid third party liability savings. The line is reduced by \$17,450,000 GF/GP, offset by a like amount of hospital QAAP assessment revenue which is generated by an increase in the assessment. The Gross increase of \$101,646,800 includes the GF/GP savings, an additional \$60.0 million of QAAP tax and federal Medicaid participation of \$59,096,800.

The Hospital Disproportionate Share Payments line federal funding is increased by \$860,000 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%.

The Physician Services line is increased by \$34,629,800 Gross (\$13,315,700 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is increased by \$4,721,000 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%.

In the Medicare Premium Payments line item Medicaid inflation, caseload and utilization adjustments totaling \$34,581,200 Gross (\$15,841,100 GF/GP) were adopted. Within the line federal funding is increased by \$5,405,200 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%.

For the Pharmaceutical Services line Medicaid inflation, caseload and utilization adjustments increases the line \$5,901,900 Gross (\$6,574,700 GF/GP). Within the line federal funding is increased by \$1,098,300 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%. A transfer out of \$230,000 Gross (\$115,000 GF/GP) from this line helps establish the new Plan First Family Planning Waiver line. Reduces the line by \$50,100 Gross (\$21,000 GF/GP) recognizing increased pharmacy rebates generated by billing compound drugs by the individual ingredient. The line is increased by \$149,136,400 Gross (\$62,488,200 GF/GP) by transferring funds from the Medicaid Mental Health Services line and the line is increased by \$86,674,300 Gross (\$37,807,300 GF/GP) by transferring funds from the Health Plan Services line. The FY 2006-07 carve-ins for anti-depressants had been anticipated to generate additional QAAP revenue and rebate revenue, thereby saving GF/GP. Federal approval of the carve-ins does not seem likely.

Savings of \$3,055,100 Gross (\$1,280,100 GF/GP) are generated by special Medicaid purchasing arrangements for durable medical equipment. These savings reduce the line and are transferred to the Michigan Medicaid Information System line. The line is reduced \$5,495,200 Gross (\$2,302,500 GF/GP) to recognize durable medical equipment savings in the Pharmaceutical Services line rather than the Auxiliary Medical Services line. The line is reduced \$4.5 million Gross (\$1.9 million GF/GP) to recognize the Pharmacy Quality Improvement Project savings in the Pharmacy Services line given that the FY 2007-08 budget does not include PIHP anti-psychotic pharmacy carve-in.

In the Home Health Services line item Medicaid inflation, caseload and utilization adjustments increased the line \$21,097,100 Gross (\$8,997,700 GF/GP). Within the line, federal funding is increased by \$1,204,600 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%. The line is reduced by \$21,077,400 Gross (\$8,831,400 GF/GP), and the amount transferred to the Hospice Services line



item, representing FMAP, inflation, caseload, utilization and consensus adjustments related to hospice care. Consideration had been given to combining the Home Health Services line and the Hospice Services line.

The Hospice Services is increased by \$21,077,400 Gross (\$8,831,400 GF/GP) due to a transfer from the Home Health Services line representing FMAP, inflation, caseload, utilization and consensus adjustments related to hospice care.

In the Transportation line item Medicaid inflation, caseload and utilization adjustments increased the line \$888,000 Gross (\$444,100 GF/GP).

In the Auxiliary Medical Services line item, Medicaid inflation, caseload and utilization increases totaling \$17,509,100 Gross (\$11,785,100 GF/GP) were adopted. Within the line federal funding is increased by \$1,856,700 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. The line is reduced by \$13,130,400 Gross (\$5,501,600 GF/GP), and the amount transferred to the Dental Services line item, representing FMAP, inflation, caseload, utilization and consensus adjustments related to dental care. Consideration had been given to combining the Auxiliary Medical Services line and the Dental Services line.

The Dental Services line item is increased by \$13,130,400 Gross (\$5,501,600 GF/GP) due to a transfer from the Auxiliary Medical Services line representing FMAP, inflation, caseload, utilization and consensus adjustments related to dental care. The line is increased \$2,625,300 Gross (\$1.1 million GF/GP) to expand the Healthy Kids Dental program to Genesee and Saginaw counties.

The Ambulance Services line item is increased by \$1,280,100 Gross (\$624,600 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is increased by \$198,300 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%.

The Long-Term Care Services line Medicaid inflation, caseload and utilization adjustments totaling \$27,774,600 Gross (\$10,064,300 GF/GP) were adopted. Within the line federal funding is increased by \$33,531,300 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. The line is reduced \$46.0 million Gross (\$19,274,000 GF/GP), an amount lapsed within this line at the end of FY 2005-06. Includes an increase of \$135,000 Gross (\$56,600 GF/GP), reversing 1/4 of the FY 2006-07 budgeted savings due to the delay in decreasing the long-term care guardianship fee from \$60/month to \$45/month. The line is reduced \$135,000 Gross

(\$56,600 GF/GP) to adjust for annualized savings generated by reducing the long-term care guardianship fee from \$60/month to \$45/month.

Within the line \$48.6 million of Medicaid Benefits Trust Fund revenue is replaced with a like amount of GF/GP. The line is reduced by \$10,090,700 Gross (\$4,235,400 GF/GP) representing savings generated by statutory changes creating a Medicaid long-term care estate recovery program. The new Money Follows the Person federal grant of \$8,848,600, in part, increases the line by \$11,825,100 Gross (\$2,976,500 GF/GP), which requires the GF/GP match, will be used to transition eligibles from nursing homes to less expensive home and community-based care. The grant is expected to generate savings equal to the federal cost and State match due to the reduced cost of eligibles and the grant's enhanced Medicaid match rate, therefore a savings of \$11,825,100 Gross (\$2,976,500 GF/GP) reduces this line.

The line is reduced by \$7,359,600 Gross (\$3,064,800 GF/GP) representing savings to be generated by transitioning 330 people from nursing homes to community care. A portion of these savings, \$5,724,200 Gross (\$2,862,100 GF/GP), are transferred to the Single Point of Entry line to continue phase-in of SPE contracts and \$405,400 Gross (\$202,700 GF/GP) are transferred to the Departmentwide Administration line to support staff in the Office of Long Term Care Supports and Services. Reduces \$887,800 of Healthy Michigan Fund support within this line by increasing a like amount of GF/GP. Eliminates funding to Pine Rest long-term care psychiatric facility, a savings and reduction to this line of \$360,000 Gross (\$155,800 GF/GP). No Gross change to the line due to a \$2.0 million increase of state restricted Omnicare, Inc. settlement proceeds offsetting a like amount of GF/GP. The line is reduced \$4,773,300 Gross (\$2.0 million GF/GP) from savings generated by Medicaid policy changes regarding prepaid funds to nursing homes then returned to individuals who become Medicaid eligible. Increases the line by \$540,000 Gross (\$226,300 GF/GP) to fund the increase of the maximum allowable monthly guardian charges from \$45 to \$60.

The Medicaid Home- and Community-Based Services Waiver line item is increased by \$18,800,300 Gross (\$7,877,300 GF/GP) for Medicaid inflation, caseload and utilization adjustments. The line is increased by \$5.0 million Gross (\$2,095,000 GF/GP) to support expansion and increased cost per case of the Home and Community-Based Services waiver program.

The Adult Home Help Services line item is increased by \$17,865,800 Gross (\$7,023,900 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Increases the line by \$3,630,800 Gross (\$1,521,300 GF/GP) to recognize the increase in the minimum hourly wage for adult home help workers from \$7.15 to \$7.40 on July 1, 2008. An increase to the line of \$2,342,200 Gross (\$981,400 GF/GP) funds a minimum wage of \$7.50 per hour as of April 1, 2008.

The Personal Care Services line item is increased by \$5,206,400 Gross (\$2,152,500 GF/GP) for Medicaid inflation, caseload and utilization adjustments.

For the Program of All-Inclusive Care for the Elderly line no changes were adopted.

The Single Point of Entry line item is increased \$5,724,200 Gross (\$2,862,100 GF/GP) from the Long-Term Care Services line representing a portion of the nursing home transition savings. These funds will be used to continue phase-in of the single point of entry contracts.

The Health Plan Services line is increased \$186,577,400 Gross (\$74,517,400 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is increased by \$47,868,700 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.38% to 58.10%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. The line is increased \$50.0 million Gross (\$20,950,000 GF/GP), reversing 1/2 of the FY 2006-07 budgeted savings due to the delay in the implementation of fee-for-service level rebates for drugs paid through health plans. The line is reduced \$2,756,300 Gross (increase of \$1,601,400 GF/GP) recognizing loss of health plan QAAP savings due to the delay in implementing the carve-in of anti-depressant funding from the Pharmacy Services line in FY 2006-07. Includes an increase of \$2,325,000 Gross (\$974,200 GF/GP), reversing 3/4 of the FY 2006-07 budgeted savings due to the delay in the implementation of a health information technology initiative in southeast Michigan.

The line is increased \$25.0 million Gross (\$10,475,000 GF/GP), reversing 1/4 of the FY 2006-07 carve-in amount, due to the delay in the implementation of the Graduate Medical Education carve-in to HMO rates. The line is reduced by \$1.5 million Gross (increase of \$871,500 GF/GP), reversing 1/4 of the FY 2006-07 budgeted savings due to the delay in the implementation of the Graduate Medical Education carve-in and subsequent health plan QAAP revenue generated. Reduces the line by \$79,024,400 Gross (increase of \$2.5 million GF/GP), reversing 1/4 of the FY 2006-07 GF/GP savings due to the delay in the implementation of the hospital rate adjustment (HRA) through health plans. Increases the line by \$243,400 Gross (\$6,653,000 GF/GP), reducing the amount of savings built into the FY 2006-07 budget for family planning waiver savings. Full implementation and enrollment is not expected in FY 2006-07. A 4.2% increase to the capitation payment rates for health plan services increases the line by \$87.4 million Gross (\$36,620,600 GF/GP) and ensures that rates are actuarially sound in FY 2007-08.

The line is reduced \$50.0 million Gross (\$20,950,000 GF/GP) to annualize savings generated by allowing fee-for-service level federal rebates for drugs paid through health plans. The line is increased \$2,756,300 Gross (reduced \$1,601,400

GF/GP) adjusting for annualized health plan QAAP savings generated by the carve-in of anti-depressants. Annualizing health information technology savings reduces the line \$2,325,000 Gross (\$974,200 GF/GP). The line is increased \$26.5 million Gross (\$9,603,500 GF/GP) to adjust for full year savings generated by Graduate Medical Education payments being carved-in to health plan rates. Annualizing savings generated by including a hospital rate adjustment through the health plans increases the line \$79,024,400 Gross (reduces GF/GP by \$2.5 million). The line is reduced \$243,400 Gross (\$6,653,000 GF/GP) representing annualized savings generated by the Plan First! family planning waiver program. Transfers out \$1,091,700 Gross (\$6,290,800 GF/GP increase) of funding to the new Plan First Family Planning Waiver line. The line is reduced \$31.8 million of Merit Award Trust Fund revenue offset with a like amount of GF/GP.

An additional \$12,590,900 GF/GP for the Health Plan Services line offsets a like reduction in the quality assurance assessment program (QAAP) fee that has been lowered through federal legislation from 6.0% to 5.5%, effective January 1, 2008. The line is reduced recognizing anticipated savings of \$33,412,800 Gross (\$14.0 million GF/GP) from implementation of new citizenship verification requirements for Medicaid eligibility authorized by the Deficit Reduction Act. The line is decreased by \$86,674,300 Gross (\$37,807,300 GF/GP) by transferring funds to the Pharmaceutical Services line. The FY 2006-07 carve-ins for anti-depressants had been anticipated to generate additional QAAP revenue and rebate revenue, thereby saving GF/GP. Federal approval of the carve-ins for FY 2007-08 does not seem likely. The line is reduced by \$1,749,900 Gross (\$733,200 GF/GP) due to savings realized by shifting fee-for-service Medicaid eligible foster care children to managed care.

The line is increased \$120.0 million Gross (reducing GF/GP by \$15.0 million) to make additional hospital rate adjustment payments through the health plans with the state retaining \$15.0 million from the increased QAAP assessed offsetting a like amount of GF/GP. The line is increased \$6,760,900 Gross (\$3,928,100 GF/GP reduced) recognizing additional health plan QAAP and resulting GF/GP offset due to increased HRA payments distributed through health plans. The line is increased \$11.0 million GF/GP offsetting lost federal funds obtained through a special financing program known as certified public expenditures.

The MIChild Program line is reduced \$7,921,300 Gross (\$321,500 increased GF/GP) for Medicaid inflation, caseload and utilization adjustments. The MIChild Program line item includes a federal funding increase of \$603,800 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 69.47% to 70.67%. Increases the line by \$650,000 Gross (\$190,600 GF/GP), reversing 1/2 of the FY 2006-07 GF/GP savings due to the delay in the implementation of an increase in the monthly MIChild premium from \$5 per family to \$10 per family. The line is reduced \$650,000 Gross (\$190,600 GF/GP), annualizing the savings generated by the increase in the monthly MIChild premium from \$5 per family to \$10 per family.

A new appropriation line is created called the Plan First Family Planning Waiver line. The line is created by transferring authorization from the Hospital Services and Therapy line in the amount of \$38,393,000 Gross (\$16,086,700 GF/GP) and Health Plan Services in the amount of \$1,091,700 Gross (\$6,290,800 GF/GP decrease). The line is reduced due to savings from enrolling 158,000 women in the Plan First! program in FY 2007-08. It is projected that 8% of Medicaid births might be prevented by this program.

The Medicaid Adult Benefits Waiver program line item includes a replacement of \$1,470,000 of GF/GP with the same amount of federal State Children's Health Insurance Program (SCHIP) revenue to reflect an increase in the federal SCHIP matching (FMAP) rate for Michigan from 69.47% to 70.67. The line includes inflation, caseload and utilization adjustments totaling \$7,045,200 Gross (\$2,247,800 GF/GP) were adopted.

There are no appropriation changes to the County Indigent Care and Third Share Plans line item.

The Federal Medicare Pharmaceutical Program is increased \$8,201,600 GF/GP for the estimated utilization and inflation growth of the federal Medicare pharmaceutical 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.

There are no appropriation changes to the Social Services to the Physically Disabled line item.

The School-Based Services line item is increased by \$7,192,300 federal to reflect current projected school reimbursements for Medicaid services to students. A transfer of \$4,794,800 federal funds to the Hospital Services and Therapy line item will offset a like amount of GF/GP within that line.

The Special Adjustor and Special DSH Payments line is reduced by \$88,167,800 Gross (\$51,225,500 GF/GP increase) correcting certified public expenditures that had originally been appropriated as DSH payments. This adjustment reverses the certified public expenditure (CPE) authorization so it can be appropriated correctly. Reduces the line by \$47.2 million GF/GP offsetting it with a like amount of federal funds which adjusts the certified public expenditures to the anticipated FY 2006-07 levels. Increases the line by \$26.0 million Gross (\$0 GF/GP) for enhanced Medicaid fee-for-service physician services payments provided at four designated public entities. In FY 2005-06 federal approval was granted to allow

physician services payment adjustments to Michigan State University, University of Michigan, Wayne State University and Hurley Hospital. These institution's funds will be used as match for the increased payments.

Increases the line by \$15,271,100 Gross (\$0 GF/GP) recognizing continuing FY 2005-06 payments as well as changes in the FMAP. The line is increased by \$9,821,400 Gross (\$0 GF/GP) which represents annualization of the supplemental granted in FY 2005-06 (PA 345 of 2006) for rate increases to both local public health and federally qualified health plan (FQHC) dental clinics. Local and private funds would be used as match for federal Medicaid funds. Funds with \$12.0 million GF/GP, a like amount of CPE revenue that will not be realized.

### **FY 2006-07 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2007-03**

EO 2007-03 reduces the Hospital Services and Therapy line item by \$5.0 million Gross (\$2,181,000 GF/GP) recognizing partial year savings from implementing the new Outpatient Prospective Payment System (OPPS). This system which was planned to begin in April 2007 would make Medicaid billing compatible with Medicare, and as a result, Medicaid will no longer pay outpatient co-payments for Medicare dual-eligibles. Reduces GF/GP funding within the Health Plan Services line item by \$12.5 million. A supplemental appropriations request included an equal offset to this reduction with available Medicaid Benefits Trust Fund revenue. Reduces the Long-Term Care Services line by \$3,897,300 Gross (\$1.7 million GF/GP) representing savings generated by statutory changes creating a Medicaid long-term care estate recovery program. Savings were based upon a start date of May 1, 2007. Michigan currently is the only state in the nation without this federally required program.

#### **PUBLIC ACT 17 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 17 adjusted the Hospital Services and Therapy line by; restoring unrealized emergency room co-pay savings, an increase of \$150,000 Gross (\$65,400 GF/GP); restoring unrealized health information technology savings, an increase of \$2,325,000 Gross (\$1,014,200 GF/GP); a reduction of \$7,404,100 Gross (\$3,229,700 GF/GP) by retaining additional hospital QAAP revenue of \$3,229,700 offsetting a like amount of GF/GP. The Long-Term Care Services line is adjusted by; restoring unrealized guardianship fee savings, an increase of \$135,000 Gross (\$58,900 GF/GP); a reduction of \$46.0

million Gross (\$20,065,200 GF/GP) due to lower caseload, utilization and inflation projections; a reduction of \$7,404,200 Gross (\$3,229,700 GF/GP) by retaining additional nursing home QAAP revenue of \$3,229,700 offsetting a like amount of GF/GP.

The Health Plan Services line is adjusted by; offsetting a \$69.6 million reduction of Merit Award Trust Fund revenue with a like amount of GF/GP; restoring unrealized GME carve-in savings, a decrease of \$1.5 million Gross (an increase of \$845,700 GF/GP), original savings to be generated by distributing certain GME hospital payments through HMOs; restoring unrealized HMO QAAP savings that were to be generated by distributing additional hospital QAAP payments through HMOs, a decrease of \$79,024,400 Gross (increase of \$2.5 million GF/GP); restoring unrealized Plan First! Family planning program savings, an increase of \$243,400 Gross (\$6,653,000 GF/GP); restoring unrealized HMO anti-depressant drug carve-in QAAP savings, a reduction of \$2,756,300 Gross (an increase of \$1,554,000 GF/GP); restoring unrealized HMO pharmacy rebate savings, an increase of \$50.0 million Gross (\$21.5 million GF/GP); increases by \$12.5 million of Medicaid Benefits Trust Fund revenue; offsetting a \$3,164,200 increase of Healthy Michigan Fund revenue with a like amount of GF/GP. The MICHild Program line is increased by \$650,000 Gross (\$198,400 GF/GP) resulting from unrealized MICHild premium savings. Within the Special Medicaid reimbursement line a \$4.0 million reduction in federal Medicaid special financing savings is offset by a like amount of hospital QAAP revenue.

### **PUBLIC ACT 41 OF 2007 SUPPLEMENTAL APPROPRIATIONS**

Public Act 41 appropriates \$23,400,000 Gross (\$0 GF/GP) within the Hospital Services and Therapy line to increase Medicaid Access to Care Initiative (MACI) payments to hospitals up to the upper payment limit. The increase is funded with \$10,207,100 of state restricted Quality Assurance Assessment (QAAP) revenue and federal Medicaid matching funds of \$13,192,900. Additional funding of \$7,404,200 Gross (\$3,229,700 GF/GP) is provided for the Hospital Services and Therapy line, reversing a reduction that was included in PA 17 of 2007, authorizing the state to retain \$3,229,700 million of hospital QAAP revenue. The authorization for the Long-Term Care Services is increased by \$7,404,200 Gross (\$3,229,700) reversing a reduction that was included in Public Act 17 of 2007 authorizing the state to retain \$3,229,700 of nursing home QAAP revenue.

The Pharmaceutical Services line is increased by \$235,810,700 resulting from the transfer of \$149,136,400 Gross (\$65,053,300 GF/GP) from the Medicaid Mental Health Services line and \$86,674,300 Gross (\$37,807,300 GF/GP) from the Health Plan Services line. The carve-ins for anti-depressants and anti-psychotics were anticipated to generate additional provider assessment revenue, thereby generating GF/GP savings. However, federal approval of the carve-ins did not occur. The Medicaid Home and Community-Based Services Waiver line is increased by \$17,644,300 Gross

(\$7,689,400 GF/GP) resulting from the transfer of this funding from Long-Term Care Services line. The increase to the Medicaid Home and Community-Based Services line will support additional transitions from nursing homes to home or community-based settings. The supplemental includes various revenue source adjustments within the Medical Services appropriation unit resulting in an increase of \$4,190,200 Gross (\$6,179,600 GF/GP). Included in the revenue adjustments are Merit Award Trust Fund savings of \$24,758,000, retroactive special financing savings of \$2,362,400, shortfall of \$12.0 million state restricted revenue due to lower certified public expenditures, and \$21.3 million shortfall of Medicaid Benefits Trust Fund revenue.



	FY 2006-07	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2007-08
FY 2007-08	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	8-Feb-07	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 121. MEDICAL SERVICES</b>							
Hospital services and therapy	1,124,379,500	1,150,541,100	1,194,987,300	1,194,987,300	1,209,851,700	1,316,434,600	1,316,434,600
Hospital disproportionate share payments	50,000,000	45,000,000	45,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Physician services	276,530,100	295,072,500	321,687,400	321,687,400	308,821,300	311,159,900	311,159,900
Medicare premium payments	311,929,600	361,169,800	352,317,500	352,317,500	346,510,800	346,510,800	346,510,800
Pharmaceutical services	56,828,700	62,533,100	299,563,800	299,563,800	289,925,100	285,210,900	285,210,900
Home health services	5,580,300	76,952,700	89,199,100	89,199,100	26,625,000	5,600,000	5,600,000
Hospice services	64,181,300	0	0	0	64,104,700	85,258,700	85,258,700
Transportation	9,765,200	10,197,200	11,013,800	11,013,800	10,653,200	10,653,200	10,653,200
Auxiliary medical services	5,621,300	117,545,500	132,974,000	139,504,200	27,330,800	10,000,000	10,000,000
Dental services	101,750,800	0	0	0	100,922,300	117,506,500	117,506,500
Ambulance services	11,376,000	12,053,400	13,216,200	13,216,200	12,530,300	12,656,100	12,656,100
Long-term care services	1,594,415,800	1,937,791,800	1,967,534,000	1,567,200,000	1,570,238,300	1,554,146,800	1,554,146,800
Medicaid home- and community-based services waiver	100,000,000	0	0	131,156,000	116,595,600	123,800,300	123,800,300
Adult home help services	221,924,000	0	0	246,181,000	224,001,800	245,762,800	245,762,800
Personal care services	25,509,700	0	0	30,324,100	25,786,300	30,716,100	30,716,100
Program of all-inclusive care for the elderly	11,200,000	0	0	11,200,000	11,200,000	11,200,000	11,200,000
Single point of entry	9,000,000	14,724,200	14,724,200	14,724,200	14,724,200	14,724,200	14,724,200
Health plan services	2,484,260,000	2,610,568,300	2,827,034,600	2,676,407,400	2,541,503,600	2,762,069,600	2,762,069,600
MICChild program	46,575,600	46,575,600	38,654,300	38,654,300	38,654,300	38,654,300	38,654,300
Plan first family planning waiver	0	27,109,000	27,109,000	27,109,000	27,109,000	27,109,000	27,109,000
Medicaid adult benefits waiver	122,239,500	128,218,000	128,218,000	128,218,000	129,284,900	129,284,900	129,284,900
County indigent care and third share plans	88,518,500	88,518,500	88,518,500	88,518,500	88,518,500	88,518,500	88,518,500
Federal Medicare pharmaceutical program	177,800,000	186,001,600	186,001,600	186,001,600	186,001,600	186,001,600	186,001,600
Promotion of healthy behavior waiver	10,000,000	0	0	0	10,000,000	10,000,000	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	20,279,500
Social services to the physically disabled	1,344,900	1,344,900	1,344,900	1,344,900	1,344,900	1,344,900	1,344,900
Subtotal basic medical services program	6,931,010,300	7,192,196,700	7,759,377,700	7,638,807,800	7,452,517,700	7,794,603,200	7,794,603,200
School-based services	76,235,400	83,427,700	83,427,700	83,427,700	83,427,700	83,427,700	83,427,700
Special Medicaid reimbursement	290,892,100	243,995,400	243,995,400	253,816,800	243,995,400	253,816,800	253,816,800
Subtotal special medical services payments	367,127,500	327,423,100	327,423,100	337,244,500	327,423,100	337,244,500	337,244,500
<b>GROSS APPROPRIATION</b>	<b>7,298,137,800</b>	<b>7,519,619,800</b>	<b>8,086,800,800</b>	<b>7,976,052,300</b>	<b>7,779,940,800</b>	<b>8,131,847,700</b>	<b>8,131,847,700</b>
Appropriated from:							
Federal revenues:							
Total federal revenues	4,130,819,100	4,429,036,600	4,732,489,300	4,679,139,400	4,569,821,000	4,763,333,500	4,763,333,500
Special revenue funds:							
Total local revenues	65,497,700	62,448,900	62,448,900	62,448,900	62,448,900	62,448,900	62,448,900
Total private revenues	0	400,000	400,000	400,000	400,000	400,000	400,000
Merit award trust fund	170,800,000	156,900,000	139,000,000	139,000,000	139,000,000	139,000,000	139,000,000
Total other state restricted revenues	1,475,211,000	1,374,922,200	1,440,237,600	1,358,543,500	1,379,277,100	1,491,484,400	1,491,484,400
State general fund/general purpose	1,455,810,000	1,495,912,100	1,712,225,000	1,736,520,500	1,628,993,800	1,675,180,900	1,675,180,900

# **INFORMATION TECHNOLOGY**

## **INFORMATION TECHNOLOGY**

Funds totaling \$568,900 Gross (all GF/GP) are transferred from the Rent and Building Occupancy line item to the Information Technology Services and Projects line item for the rental costs associated with the Chandler Building. The originating agency for these costs is the Department of Information and Technology. The federal revenue authorization for the Information Technology Services and Projects line item is increased by \$108,500 to recognize a new WIC Electronic Benefits (EBT) transfer grant. The grant finalizes the WIC EBT project that allows WIC clients to use a special card (rather than coupons) to purchase their WIC products and automate payments to participating WIC vendors. The federal revenue authorization for the Information Technology Services and Projects line item is also increased by \$2.0 million to recognize the FY 2006-07 authorization for the WIC system upgrade. Funds totaling \$141,600 Gross (\$98,700 GF/GP) that were included in the FY 2005-06 budget for the hardware and software costs for operating the Human Resources Call Center are eliminated. The equipment is now fully capitalized. The early out retirement sick leave payments of \$40,900 Gross (all GF/GP) funded between FY 2002-03 and FY 2006-07 are eliminated from the Information Technology Services and Projects line item. Contractual savings of \$657,100 Gross (all GF/GP) realized from the Auxiliary Medical Services and Medical Care and Treatment line items are transferred to the Information Technology Services and Projects line item. The savings were realized by reducing the fee screen to eliminate copays, for nursing homes, and to below Medicare for enteral formula and diabetes strips.

Funds for the Information Technology Services and Projects line item are increased by \$2,200 Gross (all GF/GP) due to an economic adjustment for worker's compensation costs related to the Department of Community Health's information technology staff. Funds for the Information Technology Services and Projects line item are increased by \$11,900 Gross (all GF/GP) due to an economic adjustment for building and occupancy charges. Funds for the Information Technology Services and Projects line item are increased by \$310,100 Gross (\$96,700 GF/GP) to finance 4.0% economic increase for non-bargaining and unionized employees' salary and wage costs. Employees' defined benefit retirement costs supporting the Information Technology Services and Projects line item are increased by \$61,800 Gross (\$19,300 GF/GP). Employees' defined contribution retirement costs supporting the Information Technology Services and Projects line item are increased by \$25,100 Gross (\$7,800 GF/GP). Employees' insurance costs supporting the Information Technology Services and Projects line item are increased by \$103,700 Gross (\$32,300 GF/GP). Funds for the Information Technology Services and Projects line item are reduced by \$18,300 Gross (\$5,300 GF/GP) to reflect administrative savings that will be achieved by reducing the Department of Information and Technology's overhead rate/cost that is assessed to each of the state agencies.

The Medifax and durable medical GF/GP savings of \$1,680,100 is transferred to the Medicaid Michigan Information System line item and the federal Medicaid revenue authorization for the line item is increased by \$15,120,900. Federal Medicaid revenue appropriated at a 90/10 federal/state match is being utilized for upgrading the medical services claims processing system which required approval of an advanced planning document from the Centers for Medicare and Medicaid Services. Necessary matching funds for the appropriation are identified and legislatively transferred to the Medicaid Michigan Information System line item.

### **FY 2006-07 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2007-3**

Funds for the Information Technology Services and Projects line item are reduced by \$2,700 Gross (all GF/GP). The savings is achieved through administrative efficiencies.

Funds for the Information Technology Services and Projects line item are reduced by \$574,400 Gross (\$229,900 GF/GP) to reflect savings due to changes in defined benefit retirement costs. The defined benefit retirement rate for state employees are revalued and recalculated. The contribution to the health advance subaccount is also changed for the defined benefit retirement program for state employees.

	FY 2006-07	FY 2007-08 EXECUTIVE	FY 2007-08 REVISED EXEC.	FY 2007-08 HOUSE	FY 2007-08 SENATE	FY 2007-08 ENROLLED	FY 2007-08
FY 2007-08	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 123 of 2007 (H.B. 4344)	YEAR-TO-DATE	8-Feb-07	11-Sep-07	28-Jun-07	23-Sep-07	30-Oct-07	31-Oct-07
DEPARTMENT OF COMMUNITY HEALTH	8-Feb-07	(H.B. 4344)	(H.B. 4344)	(H.B. 4344)	(S.B. 511)	(H.B. 4344)	(H.B. 4344)
<b>Sec. 122. INFORMATION TECHNOLOGY</b>							
Information technology services and projects	31,427,000	33,075,500	33,075,500	33,075,500	33,075,500	35,075,500	35,075,500
Michigan Medicaid information system	100	100	100	100	100	16,801,100	16,801,100
<b>GROSS APPROPRIATION</b>	<b>31,427,100</b>	<b>33,075,600</b>	<b>33,075,600</b>	<b>33,075,600</b>	<b>33,075,600</b>	<b>51,876,600</b>	<b>51,876,600</b>
Appropriated from:							
Federal revenues:							
Total federal revenues	19,296,500	19,648,400	19,648,400	19,648,400	19,648,400	36,769,300	36,769,300
Special revenue funds:							
Total other state restricted revenues	3,056,900	3,102,200	3,102,200	3,102,200	3,102,200	3,102,200	3,102,200
State general fund/general purpose	9,073,700	10,325,000	10,325,000	10,325,000	10,325,000	12,005,100	12,005,100

**BOILERPLATE**

## GENERAL SECTIONS BOILERPLATE

### **Sec. 201. State Spending**

Total FY 2007-08 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 Department of Civil Service to bill DCH at the end of the first fiscal quarter for the 1% charge authorized by the State Constitution of 1963. Requires payments for total billing be made by end of the second fiscal quarter.

### **Sec. 205. Hiring Freeze**

Imposes hiring freeze on state classified civil service employees, except internal transfers of classified employees from one position to another within a department or when freeze would result in the Department being unable to deliver basic services, cause loss of revenue to the state, and result in the inability of the state to receive federal funds. Requires quarterly report to Chairpersons of the House and Senate Appropriations Committees on number of exceptions to hiring freeze.

### **Sec. 206. Contingency Funds**

Appropriates up to \$100.0 million federal contingency funds, up to \$20.0 million state restricted contingency funds, up to \$20.0 million local contingency funds, and up to \$10.0 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.

### **Sec. 208. Internet Reporting Requirements**

Requires the Department to use the Internet to fulfill the reporting requirements of this act.

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

Prohibits purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available; provides that preference be given to goods or services, or both, manufactured by Michigan businesses if competitively priced and of comparable quality; provides 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 fee revenue to be carried forward, 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 the department.

**Sec. 212. Caps on Funds Expended**

Caps funds expended from federal maternal and child health block grant, federal preventive health and health services block grant, federal substance abuse block grant, healthy Michigan fund, and Michigan health initiative fund. Requires report by February 1, 2008, on FY 2007-08 appropriation fund sources by line item; requires report on amount and source of funds to support FY 2008-09 Executive Budget Recommendation upon budget release. Requires all revenue source detail for consolidated revenue line item detail to be provided upon request to DCH.

**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, 2008, 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 healthy Michigan fund for lobbying as defined in 1978 PA 472.



**Sec. 215. Policy Changes Implementing Public Acts**

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

**Sec. 216. Use of Prior-Year Revenue**

Allows use of prior-year revenue for write-offs of accounts receivables, deferrals, and prior-year obligations. Does not limit the Department's ability to satisfy appropriation deductions in Part 1 to collections and accruals provided in the current fiscal year. Requires the Department to report by March 15, 2008, 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 the Department to contract with Michigan Public Health Institute for the design and implementation of projects and other public health related activities. Requires the Department to report on each funded project by November 1, 2007, and May 1, 2008, to the House and Senate Appropriations Subcommittees on Community Health, House and Senate Fiscal Agencies, and State Budget Director. Requires the Department to provide copies of all reports, studies, and publications produced by the Institute by September 30, 2008.

**Sec. 220. Audits of Michigan Public Health Institute Contracts**

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

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

Allows the Department 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.

**Sec. 248. Ambulatory Surgery Centers**

Requires the Department to allow ambulatory surgery centers in the state to fully participate in the Medicaid program when hospitals are reimbursed for Medicaid services through the Michigan Medicaid information system. Requires the development and implementation of a reimbursement schedule for ambulatory surgery centers which is to be provided to the House and Senate Appropriations Subcommittees on Community Health, and House and Senate Fiscal Agencies by July 1, 2008.

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

Requires the department to pay user fees to the Department of Information Technology (DIT) for technology-related services and projects from Part 1 appropriated funds for IT. Subjects user fees to provisions of an interagency agreement between the department and DIT.

**Sec. 260. Information Technology (IT) Work Projects**

Allows designation of Part 1 appropriated funds for IT as work projects and carried forward. Provides that funds designated for work projects are not available for expenditure until approved as work projects under Section 451a of the Management and Budget Act.

**Sec. 261. Medicaid Management Information System Upgrade**

Provides that Part 1 appropriated funds for the Medicaid management information system upgrade are contingent upon approval of an advanced planning document from Centers for Medicare and Medicaid Services. Permits the appropriation to be designated as a work project and carried forward to support completion of the project.

**Sec. 264. Submission and Applications for Medicaid Waivers**

Requires the Department 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 quarterly reports on status of discussions with federal agencies on potential or future Medicaid waiver applications.

**Sec. 265. Retention of Reports**

Requires 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, necessary to protect the health or safety of Michigan citizens, necessary to produce budgetary savings or increase state revenue, necessary to comply with federal requirements, necessary to secure specialized training for staff, or financed entirely by federal or nonstate funds, except if travel is granted an exception by the State Budget Director. Requires the Department to prepare an out-of-state travel report for the preceding fiscal year by January 1, 2008.

**Sec. 267. *Disciplinary Action Against State Employee***

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

**Sec. 269. *Reimbursement of Mental Health Medications***

Specifies that the funds appropriated for pharmaceutical services include funds for the reimbursement of mental health medications under the Medicaid program.

**Sec. 270. *Notification from Attorney General on Legal Actions***

Requires the Department to provide written report on total amounts recovered from legal actions, programs or services for which monies were expended, details on the disposition of funds recovered from legal actions, and descriptions of facts involved in legal actions within 30 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***

Allows a PIHP, Medicaid HMO, and federally qualified health center to establish and implement a 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.

**Sec. 272. *Study on Administrative Efficiencies, Shared Services, and Consolidations***

Allocates up to \$150,000 for a study on administrative efficiencies, shared services, and consolidations of local public health departments, CMHSPs, coordinating agencies on substance abuse, and area agencies on aging.

**Sec. 276. Legal Services of Attorney General**

Prohibits the use of appropriated funds by the department 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 their subcontractors; and area agencies on aging and local providers, and their subcontractors. Requires DCH to provide a written draft of its proposed definitions, standards, and instructions by May 15, 2008.

**DEPARTMENTWIDE ADMINISTRATION**

**Sec. 301. Worker's Compensation Funds**

Allows the Department 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 the Mental Health Code.

**MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

**Sec. 350. Michigan Protection and Advocacy Services**

Allows the Department to enter into contract with Michigan Protection and Advocacy Services 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.

**Sec. 351. Methamphetamine Cleanup Fund**

Requires the Department to allow local governments to apply for money to cover their administrative costs associated with methamphetamine cleanup efforts from appropriated Part 1 funds. Specifies funds allocated for administrative costs shall not exceed \$800 per property. Requires the Department to ensure counties are aware of the availability of funds.

## **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 full authority and responsibility of local CMHSPs or prepaid inpatient health plans (PIHPs). Requires the Department to ensure that 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 the Department and CMHSPs***

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 provision that it is not valid unless total dollar obligation of all contracts entered into between DCH and CMHSPs or PIHPs for FY 2007-08 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. Multicultural Service Providers***

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 multicultural services from being utilized for services to illegal immigrants.

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

Requires the Department to provide a report by May 31, 2008, on the following for CMHSPs or PIHPs: expenditures and services data; information about access to CMHSPs; lapses and carry-forwards during FY 2006-07; 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, including the 2% wage increase funded in FY 2006-07, for direct care workers in local residential settings, and settings where skill building, community living supports and training, and personal care services are provided continue to be paid.

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

Requires funds appropriated for 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 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 services provided to individuals with both mental illness and substance abuse diagnoses. Requires the Department to approve a fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay.

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

Requires the Department to report by April 15, 2008, on expenditures and services data on substance abuse prevention, education, and treatment programs for FY 2006-07.

**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 the Department to assure that substance abuse treatment is provided to applicants and recipients of public assistance through the Department of Human Services 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**

Requires the Department to ensure that each contract with a CMHSP or PIHP require 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 the Department to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance abuse services at not less than the amount contracted for in FY 2006-07.

**Sec. 414. Medicaid Substance Abuse Services**

Requires Medicaid substance abuse services to be managed by selected PIHPs pursuant to 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 selected PIHPs to receive a capitated payment on a per eligible per month basis to assure the provision of medically necessary substance abuse services. Requires selected PIHPs to be responsible for 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 the Department to report monthly on the amount of funding paid to PIHPs to support the Medicaid managed mental health program.

**Sec. 423. Delivery of Substance Abuse Prevention, Education, and Treatment Programs**

Requires the Department to work cooperatively with the Departments of Human Services, Corrections, Education, State Police, and Military and Veterans Affairs, within existing appropriations, to coordinate and improve the delivery of substance abuse prevention, education, and treatment programs. Requires the Department to establish a Work Group examining and reviewing the source and expenditure of public and private funds for substance abuse programs and services. Requires Work Group to develop and recommend cost-effective measures for expenditure of funds and delivery of substance abuse programs and services.

**Sec. 424. Timely Claims Process for PIHPs**

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

**Sec. 425. Independent Prisoner Study**

Requires the Department to provide consultation to the Department of Corrections in completing the independent study on the prevalence of prisoners in need of mental health treatment, substance abuse services, or both, and the provision of services to prisoners in need of mental health treatment, substance abuse services, or both.

**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 the \$40.0 million transferred from CMH Non-Medicaid Services to support Medicaid Adult Benefits Waiver program be used to provide state match for increases in federal funding for primary care and specialty services provided to Medicaid Adult Benefits waiver enrollees and economic increases for Medicaid Specialty Services and Supports program. Requires general fund match be transferred back to CMH Non-Medicaid Services if enrollment in Medicaid Adult Benefits Waiver program does not achieve expectations and funding for the program is not expended. Requires the Department to report quarterly on a summary of eligible expenditures for the Medicaid Adult Benefits Waiver program to the House and Senate Appropriations Subcommittees on Community Health.

**Sec. 452. Financial Impact on CMHSPs**

Prohibits retroactive implementation of any policy that results in 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 services, and work preparatory services provided in the community or by accredited community-based rehabilitation organizations. Requires CMHSPs and PIHPs take all necessary steps to ensure that individuals with mental illness, developmental disabilities, or substance abuse issues are placed in the least restrictive settings if that is their choice.

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

Requires the Department to report by April 15, 2008, on the following: an updated plan for implementing recommendations 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. 460. Uniform Standards for Reporting of Administrative Costs by Subcontractors of CMHSPs**

Requires DCH to fully implement the uniform definitions, standards, and reporting of administrative costs by subcontractors of PIHPs, CMHSPs, and contracted organized provider systems that receive payment or reimbursements from PIHPs and CMHSPs in FY 2007-08.

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

Requires DCH to implement a funding equity plan for all CMHSPs receiving funds appropriated under CMH Non-Medicaid Services. Requires the funding plan to reflect a combination of a more equitable distribution methodology based on proxy measures of need and recognition of varying expenditure needs of CMHSPs.

**Sec. 463. Program Evaluation Measures for Substance Abuse Services**

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

**Sec. 464. Liquor License Fees**

Expresses legislative intent that revenue received by DCH from liquor license fees is to be expended at not less than the amount provided in FY 2006-07 for prevention, rehabilitation, care, and treatment of alcoholics pursuant to Liquor Control Code provisions.

**Sec. 465. Respite Services**

Requires that funds appropriated for respite services be used for direct respite care services for children with serious emotional disturbances and their families. Specifies that no more than 1% of the funds allocated for respite services be expended by CMHSPs for administration and administrative purposes.

**Sec. 467. Funding for Community Substance Abuse Prevention, Education, and Treatment Programs**

Requires DCH to increase funding paid from the Community Substance Abuse Prevention, Education, and Treatment Programs line item to coordinating agencies to the level provided in FY 2002-03, if funds become available.

**Sec. 468. Incorporation of Coordinating Agencies into CMH Authorities**

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

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

Specifies that DCH 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.

**Sec. 474. Guardianship of Recipients**

Requires the Department to ensure that 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. Expresses legislative intent that a CMHSP or PIHP does not attempt to reduce or restrict the ability of a recipient or his/her family from obtaining legal guardianship without just causes.

**Sec. 476. Regional Jail Diversion Pilot Program**

Appropriates \$100 for a regional jail diversion pilot program that is located in a county with a population of more than 1,000,000 but not more than 1,750,000. Requires the program to incorporate a system of identification and diversion of mentally ill and dually-diagnosed individuals from the criminal justice system.

**Sec. 477. Recovery Coaching Pilot Program**

Appropriates \$100 for the establishment of a recovery coaching pilot program to assist individuals who are current or former substance abusers.

**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, 2008.

## **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 the funding of staff in the financial support division, reimbursement, billing, and collection services. Requires the collections from individual recipients of services to be handled in a sensitive and nonharassing manner. Requires the Department 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 carry forward of unexpended and unencumbered funds up to \$1,000,000 from gifts and bequests for patient living and treatment environments for one fiscal year.

### ***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 the Department to receive and expend funds from DOC to fulfill obligations outlined in the interdepartmental agreement.

### ***Sec. 604. Annual Reports for CMHSPs***

Requires CMHSPs or PIHPs to provide annual reports to DCH on the following: the number of days of care purchased from state hospitals, state centers, and private hospitals; the 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. Requires DCH to annually report the 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 the Department from implementing 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 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 the Department to collect revenue for patient reimbursement from first/third party payers, including Medicaid and local county CMHSP payers, to cover cost of placement in state hospitals and centers. Authorizes DCH to adjust financing sources for patient reimbursement based on actual revenue earned. Permits carry forward of revenue collected that exceeds current year expenditures if approved by the State Budget Director.

**Sec. 607. Mandated Changes in the Operation of State Hospitals and Centers**

Requires the Department to ensure that mandated changes in the operation of state hospitals and centers are completed in a timely and efficient manner if Senate Bill 369 of the 94th Legislature, a bill amending the Mental Health Code as it relates to an individual's incompetence to stand trial and disposition of persons found not guilty by reason of insanity, is enacted into law.

**Sec. 608. Privatization of Food and Custodial Services**

Requires the Department to evaluate the privatization of food and custodial services at state hospitals and centers and submit a copy of the evaluation by May 1, 2008 to the House and Senate Appropriations Subcommittees on Community Health, and House and Senate Fiscal Agencies.

**PUBLIC HEALTH ADMINISTRATION**

**Sec. 650. Fish Consumption Advisory**

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

**Sec. 651. Activities Pursuant to Healthy Michigan 2010 Report**

Requires Department to report by April 30, 2008 on activities and efforts of the Department to improve the health status of the citizens of the state pursuant to the goals and objectives stated in the "Healthy Michigan 2010" report, and to indicate measurable progress made.

## **HEALTH POLICY, REGULATION, AND PROFESSIONS**

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

Requires the Department 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. 705. Internet Posting of Inspections of Nursing Homes***

Requires DCH to post executive summary of latest inspection for each licensed nursing home on the Internet.

### ***Sec. 706. Nursing Home Inspectors***

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

### ***Sec. 707. Nursing Scholarship Program***

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

### ***Sec. 708. Quarterly Staff Reports from Nursing Facilities***

Requires nursing facilities in their quarterly reports to DCH to report on the total patient care hours provided each month and the percentage of pool staff 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.

### ***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 clinics providing primary care services.

**Sec. 711. Customized Listings of Nonconfidential Information**

Allows the Department to make customized listings of nonconfidential information in its possession, such as names and addresses of licensees, available to interested entities. Allows the Department to establish and collect a reasonable charge for providing this service. Requires revenue received from this service 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 funds appropriated for primary care services. Requires DCH to distribute funds equally to each free health clinic.

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

Directs the Department to continue to fund multicultural agencies that provide primary care services.

**Sec. 714. Nursing Facility Complaint Investigations**

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

**Sec. 715. Nonurgent Medical Response Service**

Appropriates \$100 to the establishment of a pilot program in Detroit for a nonurgent medical response service.

**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 2 years of the initial complaint.

**Sec. 717. HealthKey Program**

Allocates \$100 for the HealthKey Program for the uninsured.

**INFECTIOUS DISEASE CONTROL**

**Sec. 801. Priority for Adolescents for AIDS Prevention Services**

High-risk children ages 9 through 18 shall receive priority for AIDS prevention, education, and outreach services.

**Sec. 802. AIDS Provider Education**

Allows Department to provide funding to Michigan State Medical Society as lead agency for development and implementation of AIDS provider education activities.

**Sec. 803. AIDS Drug Assistance Program**

Directs Department to continue AIDS Drug Assistance Program maintaining prior year eligibility criteria and drug formulary, without prohibiting Department from providing assistance for improved AIDS treatment medications. Allows Department 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 Department to cooperate with Department of Corrections to share data and information regarding prisoners being released who are positive for HIV or the Hepatitis C antibody, related to the Michigan prisoner reentry initiative; and requires a report by April 1, 2008.

**Sec. 806. Funding for Vaccines for Underinsured Children**

Permits allocation of up to \$100,000 for purchase of vaccines for underinsured children, if funds are available.

**EPIDEMIOLOGY**

**Sec. 851. Lead Abatement Program Report**

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

**LOCAL HEALTH ADMINISTRATION AND GRANTS**

**Sec. 901. Informed Consent Law Reimbursement of Local Costs**

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

**Sec. 902. Funding Penalty in Case of Dissolution of Multi-County Local Health Department**

Provides authority for Department to assess a penalty on a county of up to 6.25% of the county health department's local public health operations funding if that county ceases to be part of a district health department or an associated arrangement with other local health departments.

**Sec. 904. Local Public Health Operations Allocations**

Directs that local public health operations 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 Michigan Departments of Agriculture, and Environmental Quality. Local public health departments will 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 that a report on planned allocations be made available by April 1, 2008.

**Sec. 905. Hearing and Vision Screening Services Allocation**

Allocates \$5.15 million of local public health operations line item funds to continue funding hearing and vision screening services through local public health departments.

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

**Sec. 1003. Alzheimer's Disease Information and Referral Services**

Allocates funds to regional networks to provide information and referral services for persons with Alzheimer's disease or related disorders, their families, and health care providers.

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

Requires Department 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 \$900,000 of smoking prevention funds for the Quit Kit program that includes the nicotine patch or nicotine gum, for purposes of complying with 2004 PA 164.

**Sec. 1007. Violence Prevention Program**

Directs that violence prevention line item funds be used for, but not limited to, programs aimed at preventing spouse, partner or child abuse and rape, and workplace violence; directs DCH to give equal consideration to public and private nonprofit grant applicants; DCH may provide funds to local school districts.

**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. 1010. Osteoporosis Prevention and Education Funding**

Allocates \$200,000 of chronic disease prevention line item funds for osteoporosis prevention and treatment education programming.

**Sec. 1019. Stroke Prevention Funding**

Allows Department to allocate \$50,000 of chronic disease prevention line item funds for stroke prevention, education, and outreach.

**Sec. 1028. African-American Male Health Initiative Funding**

Allows Department 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 for Traumatic Brain Injury Treatment Guideline Model**

Appropriates \$100 of injury control intervention project line item funds to establish an incentive-based pilot program for level I and level II trauma hospitals to encourage utilization of an interactive, evidence-based treatment guideline model for traumatic brain injury, in a county with population of 175,000 - 200,000 persons.

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

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

Requires Department to review basis for distribution of funds to local health departments and other agencies from various programs in Family, Maternal, and Children's Health Services appropriation unit and WIC program and indicate the basis on which any projected underexpenditures are to be reallocated to other local agencies that demonstrate need.

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

Requires Department to: report by April 1, 2008 on planned allocations and prior fiscal year actual service and expenditure data for local maternal and child health services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs; collect data to show distribution of funds between urban and rural and urban communities for future reporting; ensure that needs of rural communities are considered in distribution of funds for these programs; and defines "rural" as having population under 30,000.

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

Requires Department to contract for services to be provided through the Family, Maternal, and Children's Health Services appropriation unit with local agencies best able to serve clients. Factors upon which to evaluate an agency's ability to serve clients are described; ability to provide access in rural communities is a new factor.

**Sec. 1106. Family Planning Title X Funding Compliance**

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

**Sec. 1107. Prenatal Care Outreach Administrative Cost Limit**

Restricts local administrative, data processing, and evaluation costs to not more than 9% of the amount appropriated for prenatal care outreach and service delivery support.

**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 DCH to be made available upon request not later than December 1, 2007.

**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 Department 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**

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

**Sec. 1129. Report of Elevated Blood Lead Levels**

Requires DCH to annually report to the Legislature from information available to DCH on the number of children with elevated blood lead levels, by county, indicating blood lead level and sources of information.

**Sec. 1132. Nurse Family Partnership Program Allocation**

Allocates \$400,000 to the Nurse Family Partnership Program from the special projects appropriation line item.

**Sec. 1133. Infant Mortality Data Release**

Requires Department 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; requires curriculum materials be made available upon request.

**WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

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

Allows Department to work with local participating agencies to define local annual contributions for the Farmer's Market Nutrition Program, to enable DCH to request federal matching funds based on local commitment of funds.

**Sec. 1152. Lead Testing for Children in WIC Program**

Department shall require that all Medicaid children participating in the Special Supplemental Food Program for Women, Infants, and Children receive lead screening testing.

**Sec. 1153. WIC Program Access in Rural Communities**

Requires the Department 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.

## **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 program.

### ***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, genetic diagnostic and counseling services, and services to persons age 21 or older with hemophilia.

### ***Sec. 1203. Referrals to Locally-Based Services Programs***

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

## **OFFICE OF DRUG CONTROL POLICY**

### ***Sec. 1250. Interdepartmental Grant to Judiciary for Drug Treatment Courts***

Requires the Department to provide \$1.8 million of federal Byrne grant program funding to the Judicial Branch as an interdepartmental grant, for local drug treatment courts.

## **CRIME VICTIM SERVICES COMMISSION**

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

Allocates up to \$50,000 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. Unexpended funds shall be carried forward.

### ***Sec. 1304. Sexual Assault Evidence Collection Procedures***

Requires Department 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**

### ***Sec. 1401. Eligibility for Certain Senior Program Funding***

Provides that funding for community, nutrition, and home services be restricted to eligible 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 the Office of Services to the Aging, and establishes standard criteria for persons to be included on the waiting list including initially determined to be program eligible.

### ***Sec. 1404. Authorization for Fees for Senior Day Care, Care Management, Respite Care***

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 expand services.

### ***Sec. 1406. Allocation of Respite Care Tobacco Settlement Funds for Direct Care***

Requires that the \$5.0 million 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. Support of Locally-Based Community Senior Services and Area Agency Member Change***

Establishes legislative support of locally-based services, support of local counties in their approval of area agency on aging plans, notice and conditions for local change of membership of area agencies on aging in a region, and legislative intent to prohibit area agencies on aging from providing direct services, other than access services, unless a waiver has been received from Office of Services to the Aging.

### ***Sec. 1416. Support for In-Home Services for Non-Medicaid Seniors***

Establishes legislative commitment to provide in-home services, resources, and assistance for the frail elderly who are not being served by the Medicaid home- and community-based services waiver program.

**Sec. 1417. Area Agency on Aging Reporting of Expenditures**

Requires the Department to report by March 30, 2008 on allocations of state resources by administration and program to each area agency on aging, and detail of expenditures by each area agency on aging of all state and local funds by program and administration.

**MICHIGAN FIRST HEALTHCARE PLAN**

**Sec. 1501. Michigan First Healthcare Plan Funding Contingency**

Requires that funding for the Michigan First Healthcare Plan is contingent on approval of a waiver from the federal government and in addition to those funds appropriated in part 1 up to \$300.0 million additional federal authorization shall be appropriated contingent upon approval of a waiver from the federal government.

**Sec. 1502. Michigan First Healthcare Plan Provider Determination**

Requires the Department to provide a report detailing the process used to determine which insurance entities will be selected for participation in the Michigan First Healthcare Plan and that a single source contract shall not be awarded to a health plan through the Michigan First Healthcare Plan.

**Sec. 1503. Provide Copy of Federal Approval of Plan/Proposal Prior to Implementation**

Requires the Department to provide a copy of the federally approved Michigan First Healthcare Plan or similar proposal at least 60 days before implementing any portion of the plan, or proposal.

**MEDICAL SERVICES**

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

**Sec. 1604. Medicaid Eligibility Application**

Specifies certain conditions of the Medicaid eligibility application process.

**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.

**Sec. 1610. Provider Cost Report Grievance Procedure**

Requires Department to 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 \$2.50 (\$2.75 for nursing home pharmacies) or the pharmacy's usual and customary charge, whichever is less. Specifies prescription copayments for Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a brand-name drug except as prohibited by federal or state law or regulation. Includes intent language that if the department realizes savings resulting from the way in which the Medicaid program 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. The fee increase can be no greater than \$2.

**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 the dispensing of a 100-day supply for maintenance drugs and notice to medical providers regarding this policy. Requires dispensing medication in the quantity prescribed unless subsequent consultation with the physician indicates otherwise.

**Sec. 1625. Atypical Antipsychotic Medications**

Directs Department to continue placing all atypical antipsychotic medications on the Medicaid preferred drug list.

**Sec. 1627. Drug Rebates for the State Medical Program and CSHCS Program**

Authorizes Department to secure manufacturer drug rebates for participants in MICHild, MOMS, State Medical, Children's Special Health Care Services, and Adult Benefit Waiver 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, Dental and Chiropractic Services**

Continues podiatric, adult dental and chiropractic services at not less than the level in effect on October 1, 2002. Prohibits restrictions on chiropractic services unless the recipient exceeds 18 visits within a year. Authorizes Department to implement bulk order purchasing of hearing aids, imposes limits on binaural hearing aid benefits and limits replacement of hearing aids to once every three years.



**Sec. 1631. Medical Services Copayments**

Requires copayments on dental, podiatric, chiropractic, vision, and hearing aid 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 Program Expansion**

Requires DCH to expand Healthy Kids Dental program to Genesee County and Saginaw County with an additional \$2,625,300 in funding.

**Sec. 1634. Continuation of Ambulance Services Rate Increases**

Requires continuation of FY 2000-01 5% increase in ambulance service payment rates and continuation of the FY 2005-06 ambulance mileage reimbursement rate increase of \$4.25 per mile.

**Sec. 1635. Continuation of Medicaid Obstetrical Rate Increase**

Requires continuation of FY 2005-06 allocation of \$6,910,800 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 FY 2006-07 allocation of \$23,874,800 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. 1643. Psychiatric Residency Training Program**

Allocates \$10,359,600 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**

Requires Department to maintain automated toll-free phone line 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 Department 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**

If the Department implements changes allowing HMOs to request service area expansions, the HMOs must agree to: (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 enrollment in Children's Special Health Care Plan, and requires a budget neutral case rate adjustment for persons with AIDS and other high-cost conditions.

**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 plans 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, HMO Solvency Standards and Medicaid ER Financial Incentives**

Requires reimbursement for emergency room 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. Requires DCH to receive assurances from Office of Financial and Insurance Services that new Medicaid HMOS meet net worth and solvency standards prior to contracting with them. Requires a report by September 30, 2008 on how payment policies in the current Medicaid program create financial incentives for health facilities to admit recipients from the emergency room.

**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 EPSDT, Well Child, and Maternal and Infant Support 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; requires that HMOs provide EPSDT utilization data, well child visits, and maternal and infant support services as described in Medicaid policy; requires DCH to provide budget neutral incentives to improve performance related to care of children and pregnant women.

**Sec. 1661. Prohibition on Prior Authorization for EPSDT and MSS/ISS Services**

Requires timely access to Maternal/Infant Support services (MSS/ISS) and coordination with other state or local programs; prohibits prior authorization for EPSDT and MSS/ISS screening referrals and up to three MSS/ISS service visits.

**Sec. 1662. Review and Analysis of HMO Performance, EPSDT and MSS/ISS Technical Assistance**

Directs DCH to assure that an external quality review of each HMO is performed that results 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; directs DCH to submit copies of the 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 MSS/ISS services, and assure that training and technical assistance are available for EPSDT and MSS/ISS.

**Sec. 1666. System Changes Providing Timelier Inclusion of Newborns in Medicaid Eligibility File**

Directs DCH to implement system changes to assure that within 30 days of birth newborns of health plan covered Medicaid mothers are included in Medicaid eligibility file and enrolled in the same health plan as the mother.

**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 be used to determine eligibility for MICHild program. 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.

**Sec. 1671. *MIChild Marketing and Outreach***

Requires Department to continue a comprehensive approach to marketing and outreach of the MIChild program, and to coordinate such efforts with Department's existing outreach and marketing activities.

**Sec. 1673. *MIChild Premiums and Prohibition on MIChild Copayments***

Allows Department to establish premiums for eligible persons above 150% of poverty level from \$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. 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 the Department and local waiver agents to 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, and is authorized to provide funds to; the Disability Network of Michigan to be distributed to the 15 Centers for Independent Living for the purpose of assisting individuals with disabilities who reside in nursing homes to return to their homes; conduct a survey of residents, their families and employees, evaluating nursing home consumer satisfaction and quality of care by.

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

Requires Department 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) Administrative Expenses***

Requires the continuation of the FY 2005-06 HCBS waiver program payment rate for administrative expenses are reduced by \$2.00 per person per day, and savings be reallocated to increase enrollment in waiver program.

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

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

**Sec. 1686. Long-Term Care Single Point of Entry Pilot Project**

Requires Department to report by April 30, 2008, on the progress of four Medicaid long-term care single point of entry services pilot projects and expresses legislative intent that funding end for the single point of entry program on September 30, 2009.

**Sec. 1688. Personal Care Services Reimbursement Rate**

Prohibits a limit on personal care services reimbursement under 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**

Gives priority in HCBS enrollment to nursing homes residents and those eligible for nursing homes, and requires screening to prevent unnecessary nursing home admissions. Requires a quarterly report on HCBS allocations and expenditures by regions, net cost savings by moving individuals from nursing home to the HCBS program, number of individuals transitioned, number of individuals on the waiting list by region, the amount of funds transferred during the quarter, number of individuals served and the number of days of care for the HCBS program and in nursing homes.

**Sec. 1691. Adult Home Help Worker Wage Increase**

Provides that all adult home help workers receive a wage of at least \$7.50 per hour effective April 1, 2008.

**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.

**Sec. 1694. Allocation to Children's Hospitals**

Authorizes distribution of funds to children's hospitals with high indigent care volume for poison control services.

**Sec. 1695. Nursing Facility Case Mix Reimbursement**

Requires the Department to evaluate the impact of implementing a case mix reimbursement system for nursing facilities. The Department is to consult with the Health Care Association of Michigan, the Michigan County Medical Care Facilities Council and the Association of Homes and Services for the Aging, with a progress report due by August 1, 2008.

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

Allows Department 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 and Graduate Medical Education (GME) Payments**

Authorizes separate payments for hospitals serving a disproportionate share of indigent patients in the amount of \$50.0 million and those hospitals providing GME training programs.

**Sec. 1710. MIChoice Home and Community-Based Services**

Requires DCH to report proposed changes in MIChoice home and community-based services waiver program screening process to House and Senate Appropriations Subcommittees on Community Health 30 days prior to implementation.

**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, and that payments by case and aggregate not exceed 70% of Medicare rates.

**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 secondly, for defibrillator grants, EMT training, or other similar programs.

**Sec. 1716. Adult Benefits Waiver Enrollment Level**

Requires Department to seek to maintain a constant enrollment level within the Medicaid Adult Benefits Waiver program through FY 2007-08.

**Sec. 1717. Disproportionate Share Payments to Hospitals (DSH)**

Requires the Department to create two pools for the distribution of DSH funds; first pool would distribute \$45.0 million based on methodology in FY 2003-04; remaining \$5.0 million would be allocated to nonpublic unaffiliated hospitals that

received less than \$900,000 in DSH payments in FY 2003-04 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, 2008.

**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. 1720. Medicare Recovery Program**

Directs Department to continue its Medicare recovery program.

**Sec. 1721. Medicaid Financial Eligibility For Long-Term Care Patients**

Requires review of Medicaid eligibility requirements for long-term care patients related to prepaid funds that are subsequently returned to individuals who qualify for Medicaid.

**Sec. 1722. Medicaid Disproportionate Share Payment**

Specifies DSH payment amount to be paid to Hutzel Hospital.

**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. 1725. Medicaid Eligibility Error Rate Reduction**

Requires Department to continue to work with the Department of Human Services to reduce Medicaid eligibility errors related to basic eligibility requirements.

**Sec. 1728. Lifting and Transferring Devices for Medicaid Recipients**

Requires Department to make available to Medicaid recipients, not based on Medicare guidelines, freestanding, electric, lifting and transferring devices.

**Sec. 1731. Medicaid Asset Test**

Requires Department to continue Medicaid eligibility asset test for optional parents/caretaker relatives and 19 and 20 year olds. Pending federal approval, coverage is excluded for 19 and 20 year olds whose parent or legal guardian has health care coverage or access to health coverage.



**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. 1733. Federal Funds for Electronic Prescribing and Health Information Technology Initiatives**

Requires the Department to seek federal funds to permit the state to provide financial support for electronic prescribing and other health information technology initiatives.

**Sec. 1734. Medicaid Recipients Healthy Behavior Incentive Program**

Requires the Department to seek federal funds that will permit the state to provide financial incentives for positive health behavior practiced by Medicaid recipients.

**Sec. 1735. Durable Medical Equipment Contract Savings**

Requires the Department to establish a committee to identify possible Medicaid program savings associated with the creation of a preferred provider program or an alternative program for durable medical equipment; to involve providers who can offer a broad statewide network of services and who are accredited by the Joint Commission On Accreditation of Healthcare Organizations or the Accreditation Commission for Health Care, Inc.; identifies organizations which will have representation on the committee; requires a report on anticipated savings from contracting opportunities; and requires notification within 30 days of implementation of any proposed Medicaid policy changes for durable medical equipment.

**Sec. 1739. Health Plan Outcome Target Bonus Payments**

Requires the Department to continue to establish medical outcome targets for the 10 most prevalent and costly ailments affecting Medicaid recipients, making bonus payments available to Medicaid HMOs that meet these outcome targets independent of HMO rate adjustments utilized in FY 2005-06.

**Sec. 1740. Graduate Medical Education Funds Distribution**

Requires assurance from the Department that all GME funds are promptly distributed to hospitals using a methodology developed in consultation with the graduate medical education advisory group and mandates the representation of the advisory group.

**Sec. 1741. Nursing Home Interim Payments**

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

**Sec. 1742. Hurley Medical Center Special Financing**

Requires the Department to allow the retention of \$1,000,000.00 in special Medicaid reimbursement funding by any public hospital that meets certain criteria. Only Hurley Medical Center meets the criteria.

**Sec. 1747. Adult Home Help Service Coordination**

Conditions that reimbursement for adult home help services requires that the matching of adult home help providers with service recipients be coordinated by the local county Department of Human Services offices.

**Sec. 1749. Standard Billing Formats for Health Plans**

Mandates that the Department shall require all Medicaid health plans to use the same standard billing formats starting September 30, 2007.

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

Requires the Department 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**

Requires the Department 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 case and care management program shall provide a performance payment incentive for physicians, it may include contractual arrangements with Medicaid HMOs for the provision of specialized case management services, and the contracts may require collection of data related to Medicaid recipient compliance.

**Sec. 1757. Medicaid Applicants Proving Legal Residence**

Requires the Department to direct the Department of Human Services to require Medicaid applicants to prove that they are residing legally in the United States.

**Sec. 1758. Emergency Services Only Medicaid Benefit Eligibles**

Requires the Department to provide a report by April 1, 2008, on the number of individuals who receive the emergency services only Medicaid benefit and the annual amount of expenditures on this population.

**Sec. 1759. Federal Deficit Reduction Act Policy Changes**

Requires the Department to implement certain policy changes included in the Federal Deficit Reduction Act of 2005. They are: lengthening the look back policy for asset transfers, changing the penalty period to begin the day an individual applies for Medicaid, including a home equity threshold for Medicaid eligibility, to utilize Michigan's Medicaid False Claims Act to collect fraudulent Medicaid claims.

**Sec. 1761. Hospital QAAP Distribution of Payments Exceeding Upper Payment Limit**

Requires the Department to distribute Medicaid access to care initiative payments (MACI) that exceed hospitals upper payment limits to hospitals that meet certain conditions, most likely rural hospitals.

**Sec. 1763. Medication History Information Exchange**

Requires the Medicaid health plans in Southeast Michigan to participate in a medication history information exchange pilot project.

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

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

**Sec. 1767. Pharmacist Payment Report**

Requires the Department to evaluate and produce a report on the impact of the change in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price.

**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 the Department to establish a program on or before July 1, 2008 which would enroll all foster care children in Michigan into a Medicaid HMO.

**Sec. 1773. Nonemergency Transportation Services**

Directs the Department 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.

**Sec. 1774. Money Follows the Person Grant Reporting**

Requires the Department to provide a report on expenditures, estimated general fund savings and numbers of people receiving services supported by federal Money Follows the Person revenue.

**Sec. 1775. Medicaid Managed Long-Term Care Study**

Requires the Department to conduct a study and publish a report regarding the feasibility of providing long-term care services through managed care.

**Sec. 1776. Outpatient Prospective Payment System (OPPS) Methodology**

If the OPPS reimbursement methodology is continued, the applied Medicaid reduction factor must be revenue neutral and actuarially sound.

**Sec. 1777. Nursing Home Dining Assistants**

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

**Sec. 1778. Rural Hospital Disproportionate Share Hospital (DSH) Payments**

Requires the Department, with the Michigan Health and Hospital Association, to implement \$50.0 million of DSH payments that focuses on small and rural hospitals and \$10.0 million to hospital facilities with neonatal intensive care units and pediatric intensive care units. The payment methodology will be shared 30 days prior to submission of the plan to the federal government.

**Sec. 1780. Primary Care Physician and Hospital Neonatal and Pediatric ICU Contingent Rate Increase**

Contingent on an increase in FY 2007-08 of Michigan's federal medical assistance percentage (FMAP) it is the intent of the Legislature that a portion of the increase be used to augment physician primary care code fee screens, and hospital neo-natal and pediatric intensive care unit payments.

**Sec. 1781. Pilot Projects Demonstrating Improvements In Efficiency and Effectiveness**

Allows the Department to conduct pilot projects to demonstrate improvements in efficiency and effectiveness of identified programs. Allows direct access to DHS eligibility, budget and registration systems to accomplish pilot project objectives.

**FY 2006-07 SUPPLEMENTAL ACTIONS**

**PUBLIC ACT 17 of 2007 SUPPLEMENTAL APPROPRIATIONS**

**Sec. 301. Intent for Restoration of Healthy Michigan Fund Reductions**

Indicates the intent of the Legislature that appropriations reductions in Public Act 17 of Healthy Michigan Funds be restored in FY 2007-08.

**Sec 1002. Repeal of Act 330 Boilerplate**

Repeals the following Act 330 of 2006 (the DCH FY 2006-07 budget) boilerplate which conflict with appropriations reductions of Act 17: Section 1010 allocating \$200,000 for osteoporosis prevention and education, Section 1109 allocating dental programs line item funds and requiring a report, and Section 1132 allocating \$400,000 to the nurse family partnership program.