

FY 2023-24: HEALTH AND HUMAN SERVICES
Summary: As Reported by House Subcommittee
House Bill 4310 (H-1)



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IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: House From FY 2022-23 YTD	
						Amount	%
	\$14,696,000	\$14,676,900	\$14,676,900	\$	\$	(\$19,100)	(0.1)
Federal	23,693,049,100	25,803,271,500	25,933,867,600			2,240,818,500	9.5
Local	170,002,300	154,718,100	149,465,200			(20,537,100)	(12.1)
Private	185,596,800	190,660,700	190,660,700			5,063,900	2.7
Restricted	3,132,592,800	3,050,326,400	3,070,326,400			(62,266,400)	(2.0)
GF/GP	6,242,365,800	6,497,737,000	6,588,454,200			346,088,400	5.5
Gross	\$33,438,302,800	\$35,711,390,600	\$35,947,451,000	\$	\$	\$2,509,148,200	7.5
FTEs	15,690.5	15,834.5	15,778.5			88.0	0.6

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes from FY 2022-23 YTD Appropriations	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
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MEDICAID – GENERAL

1. Traditional Medicaid Cost Adjustments

Executive includes an increase of \$74.4 million Gross (reduction of \$28.8 million GF/GP) to recognize caseload, utilization, and inflation adjustments, and traditional FMAP cost-sharing adjustments from FMAP reducing from 64.71% to 64.94%, plus 1 quarter of 1.5% enhanced FMAP provided under the federal Consolidated Appropriations Act, 2023, for medical and behavioral health services in the traditional Medicaid program. Compared to FY 2021-22 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 4.9%. House concurs.

Gross	\$16,581,775,400	\$74,396,800
Federal	10,703,491,400	128,783,900
Local	38,994,800	(16,849,000)
Private	13,748,800	(14,400)
Restricted	2,339,439,900	(8,739,600)
GF/GP	\$3,486,100,500	(\$28,784,100)

2. Healthy Michigan Plan Cost Adjustments

Executive includes an increase of \$329.2 million Gross (\$66.5 million GF/GP) to recognize caseload, utilization, and inflation adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP). Compared to FY 2021-22 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 5.9%. House concurs.

Gross	\$5,799,632,800	\$329,175,400
Federal	5,211,580,900	296,257,800
Local	2,021,400	0
Private	1,381,600	0
Restricted	486,516,000	(33,608,300)
GF/GP	\$98,132,900	\$66,525,900

3. Actuarial Soundness

Executive includes \$346.6 million Gross (\$92.5 million GF/GP) to support an estimated 2.5% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), 2.5% for Medicaid Health plans, 3.1% for Program of All-includes Care for the Elderly (PACE), 3.0% for home- and community-based services, 2.0% for Integrated Care Organizations (MI Health Link), and 1.0% for Healthy Kids Dental. House concurs.

Gross	NA	\$346,629,200
Federal	NA	254,134,200
GF/GP	NA	\$92,495,000

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
4. Direct Care Wage Increase	Gross	\$405,058,900	\$350,112,500
<u>Executive</u> includes \$210.1 million Gross (\$74.5 million GF/GP) to support a \$1.50 per hour wage increase for direct care workers. Current year funding reflects recent appropriations for the \$2.35 hourly wage increase. Sections 231 and 1644 are related boilerplate. <u>House</u> concurs and adds \$140.0 million Gross (\$24.8 million GF/GP) for an additional \$1.00 per hour increase on a one-time basis.	SFRF	0	70,000,000
	Federal	259,091,400	180,785,100
	GF/GP	\$145,967,500	\$99,327,400
5. Long-Term Care: Non-Clinical Staff Wage Increase	Gross	\$1,792,051,000	\$0
<u>Executive</u> includes \$90.0 million Gross (\$31.7 million GF/GP) to increase non-clinical nursing facility staff hourly wages by \$3.85, amount would reflect the current \$2.35 direct care wage increase, plus the additional \$1.50 proposed for the current cohort of direct care workers. <u>House</u> does not include.	Federal	1,198,936,400	0
	Local	6,618,800	0
	Private	6,100,000	0
	Restricted	330,776,300	0
	GF/GP	\$249,619,500	\$0
DEPARTMENT ADMINISTRATION & INFORMATION TECHNOLOGY			
6. Comprehensive Child Welfare Information System (CCWIS)	FTE	0.0	11.0
<u>Executive</u> includes \$12.6 million Gross (\$7.5 million GF/GP), of which \$6.9 million Gross (\$3.5 million GF/GP) is on a one-time basis and authorizes 11.0 FTE positions (6.0 on a one-time basis). CCWIS will replace the Michigan Statewide Child Welfare Information System (MiSACWIS) with the implementation of 9 cloud-based modules over the course of 3 to 5 years. Currently, 1 module is complete and 3 modules are in development. <u>House</u> concurs.	Gross	\$3,373,200	\$12,577,000
	Federal	870,300	5,041,600
	GF/GP	\$2,502,900	\$7,535,400
7. Relational Data Computer Usage Costs	Gross	NA	\$3,255,800
<u>Executive</u> includes \$3.3 million Gross (\$1.2 million GF/GP) to support DTMB data storage and processing for child welfare-related information regarding family data for each case. Increased costs are correlated with caseloads. <u>House</u> concurs.	Federal	NA	2,056,000
	GF/GP	NA	\$1,199,800
8. Information Technology Inflationary Costs	Gross	NA	\$6,384,200
<u>Executive</u> includes \$6.4 million Gross (\$5.0 million GF/GP) for inflation-related cost increases for IT contracts with: Dewpoint, Guidesoft, Tibco, CGI Technologies and Solutions, Deloitte Consulting, Optum Government Solutions, Gainwell, Accenture, SourceHOV, Acro Service Corp, Crystal Lighting, and Altarum Institute. <u>House</u> concurs.	Federal	NA	1,412,600
	GF/GP	NA	\$4,971,600
9. Property Management – Lease Cancellation Cost Reductions	Gross	\$64,701,200	(\$2,134,600)
<u>Executive</u> includes a reduction of \$2.1 million Gross (\$849,100 GF/GP) to recognize a reduction in property costs related to multiple lease cancellations in Kalamazoo, Lansing, and Okemos. <u>House</u> concurs.	IDG/IDT	599,100	0
	TANF	10,667,900	(165,600)
	Federal	22,148,000	(1,119,900)
	Private	36,700	0
	Restricted	497,400	0
	GF/GP	\$30,752,100	(\$849,100)
10. Legal Services	Gross	NA	(\$12,300,000)
<u>House</u> removes \$12.3 million GF/GP from ongoing legal-cost funding to recognize available funds currently available for legal services through work project-retained funds from previous fiscal years.	GF/GP	NA	(\$12,300,000)
11. Lapse Reductions	Gross	NA	(\$6,806,600)
<u>House</u> reduces multiple line items throughout the budget to recognize \$6.8 million GF/GP available from historical end-of-year lapses to the General Fund.	GF/GP	NA	(\$6,806,600)

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Major Budget Changes from FY 2022-23 YTD Appropriations		
12. Economic Adjustments	Gross	NA (\$8,508,000)
<u>Executive</u> reflects a net cost reduction of \$8.5 million Gross (\$4.2 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> concurs.	IDG/IDT	NA (19,100)
	TANF	NA (1,150,000)
	Federal	NA (3,018,000)
	Local	NA (9,100)
	Private	NA (56,000)
	Restricted	NA (64,100)
	GF/GP	NA (\$4,191,700)

COMMUNITY SERVICES AND OUTREACH

13. Diaper Assistance TANF Swap – One-Time	Gross	\$4,404,400	(\$2,904,400)
<u>Executive</u> includes \$4.4 million GF/GP as TANF replacement to allow administrative funds to be given to non-profits checking program eligibility prior to distribution. <u>House</u> decreases TANF funding \$2.9 million to leave \$1.5 million and moves to one-time unit.	TANF	4,404,400	(2,904,400)
	GF/GP	\$0	\$0

14. Crime Victim's Rights Sustaining Fund – One-Time	Gross	NA	\$60,000,000
<u>House</u> deposits \$60.0 million GF/GP into a new Crime Victim's Rights Sustaining Fund for the purpose of providing 3 years of funding to offset declines in federal Victims of Crime Act (VOCA) funding and Michigan Crime Victim Rights Fund (CVRF). NOTE: The Crime Victim Rights program would also be transferred from Community Services and Outreach Unit to Health Policy and Initiatives Unit.	GF/GP	NA	\$60,000,000

15. Crime Victim Rights GF/GP Funding	FTE	17.0	0.0
<u>Executive</u> includes an increase of \$7.9 million GF/GP for crime victims support programs. The additional GF/GP would supplement recent federal VOCA awards and Michigan CVRF to support the obligations related to the programs. NOTE: The Crime Victim Rights program would also be transferred from Community Services and Outreach Unit to Health Policy and Initiatives Unit. <u>House</u> includes \$20.0 million state restricted from the new Crime Victim's Rights Sustaining Fund. Sec. 1158 is related boilerplate.	Gross	\$121,597,000	\$16,500,000
	Federal	103,046,200	(3,500,000)
	Restricted	18,448,200	20,000,000
	GF/GP	\$102,600	\$0

16. Kids Food Basket – One-Time	Gross	\$525,000	\$1,525,000
<u>House</u> includes \$1.0 million GF/GP in the one-time unit for the Kids Food Basket program. Program also receives \$525,000 GF/GP in ongoing funding.	GF/GP	\$525,000	\$1,525,000

17. 2-1-1 Community Information Exchange (CIE) – One-Time	Gross	\$2,950,000	\$2,000,000
<u>House</u> includes \$2.0 million GF/GP in the one-time unit for 2-1-1 Statewide Calling system upgrades. 2-1-1 also receives \$3.0 million GF/GP in ongoing funding.	GF/GP	\$2,950,000	\$2,000,000

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

18. Child Welfare Caseloads Adjustments	Gross	\$794,170,400	(\$31,086,700)
<u>Executive</u> includes a reduction of \$31.1 million Gross (\$22.8 million GF/GP) for FY 2023-24 based on current caseload projections as follows:	TANF	79,698,900	(10,091,100)
<ul style="list-style-type: none"> Adoption subsidies cases reduced from 20,978 to 20,538 Foster Care cases reduced from 7,924 to 6,697 Guardianship Assistance Program cases reduced from 1,223 to 1,152 	Federal	197,740,400	5,165,500
	Local	38,258,900	(2,112,000)
	Private	2,700,000	(1,200,000)
	Restricted	2,000,000	0
	GF/GP	\$473,772,200	(\$22,849,100)

Amount includes \$499,500 GF/GP savings from changes in the FY 2023-24 FMAP up to 64.94% and with a first quarter, pandemic-related enhancement of 1.5% of additional E-FMAP. House concurs.

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
19. Child Care Fund – Community-Based State Reimbursement	Gross	NA	\$31,534,600
<u>Executive</u> includes \$31.5 million GF/GP to implement a recommendation from the Task Force on Juvenile Justice Reform to statutorily increase the state Child Care Fund reimbursement rate from 50% to 75% for community-based juvenile justice services. <u>House</u> concurs.	GF/GP	NA	\$31,534,600
20. Bay Pines and Shawono Center	FTE	94.0	12.0
<u>Executive</u> includes \$1.3 million Gross (\$643,600 GF/GP) and authorization for an additional 12.0 FTEs to provide services at Bay Pines and Shawono juvenile justice facilities based on a recommendation from the Task Force on Juvenile Justice Reform. <u>House</u> concurs.	Gross	\$11,749,500	\$1,287,200
	Federal	448,200	643,600
	Local	5,581,000	0
	GF/GP	\$5,720,300	\$643,600
21. Foster Family Maintenance Payment Increase	Gross	NA	\$12,049,300
<u>Executive</u> includes \$19.3 million Gross (\$7.8 million GF/GP) to fund an 8% increase to daily maintenance payments for foster parents, adoptive parents, and juvenile guardians. The increase would put Michigan’s daily maintenance payment above the national average. <u>House</u> includes \$12.0 million Gross (\$4.9 million GF/GP) to fund a 5% increase to daily maintenance payments.	TANF	NA	1,771,600
	Federal	NA	4,921,900
	Local	NA	468,600
	GF/GP	NA	\$4,887,200
22. Foster Care Respite Services – One-Time	Gross	NA	\$13,895,000
<u>Executive</u> includes \$15.1 million GF/GP to implement a statewide foster care respite network to provide temporary, occasional relief to existing foster parents with the goal of keep existing foster homes open. Funding would be used for daily rate payments to licensed and closed foster homes for short-term respite services as well as for the creation of six specialized caregiver support contracts. <u>House</u> includes \$13.9 million GF/GP on a one-time basis to support short-term respite services and does not fund the creation of six specialized caregiver support contracts.	GF/GP	NA	\$13,895,000
23. Foster Care Education Pilot Program	Gross	\$0	\$1,744,100
<u>Executive</u> includes \$1.7 million in federal funding to establish a scholarship program in partnership with state universities to provide tuition stipends, field placements, and cover other educational expenses for students seeking a Bachelor of Social Work or Master of Social Work. In exchange, students are obligated to work for Michigan child welfare agencies for one year. <u>House</u> concurs.	Federal	0	1,744,100
	GF/GP	\$0	\$0
24. Elimination of Child Welfare Programs	Gross	\$750,000	(\$500,000)
<u>Executive</u> backs out funding for the Child Legal Representation pilot program (\$500,000 GF/GP) and the Adoptive Families Support Network program (\$250,000 GF/GP). <u>House</u> retains the Adoptive Families Support Network program.	GF/GP	\$750,000	(\$500,000)
25. Court Operated Facility Construction – One-Time	Gross	NA	\$25,000,000
<u>House</u> includes \$25.0 million GF/GP to construct a 32-bed court-operated facility in northern Michigan for youth involved in the court system.	GF/GP	NA	\$25,000,000
26. Court Appointed Special Advocates – One-Time	Gross	\$1,000,000	\$1,500,000
<u>House</u> includes \$1.5 million GF/GP one a one-time basis for court appointed special advocates for children who have been abused or neglected. Program also receives \$1.0 million GF/GP in ongoing funding.	GF/GP	\$1,000,000	\$1,500,000

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>			
PUBLIC ASSISTANCE AND LOCAL OFFICE OPERATIONS			
27. Public Assistance Caseload Adjustments	Gross	\$4,304,082,300	\$1,104,042,500
<u>Executive</u> includes an increase of \$1.1 billion Gross (\$12.4 million GF/GP) to support estimated public assistance program caseloads for FY 2022-23 and FY 2023-24. Increased costs are largely driven by an increase in federally-funded Supplemental Nutrition Assistance Program (SNAP) revenues for Food Assistance Program (FAP) cases. Case adjustments include:	TANF	45,992,300	6,479,200
	Federal	4,183,474,600	1,085,289,800
	Restricted	14,643,000	(109,900)
	GF/GP	\$59,972,400	\$12,383,400
<ul style="list-style-type: none"> Family Independence Program (FIP): Increase of \$11.9 million Gross (\$5.5 million GF/GP) Food Assistance Program (FAP): Increase of \$1.1 billion Gross (\$0 GF/GP) State Disability Assistance (SDA): Reduction of \$354,200 Gross (\$256,500 GF/GP) State Supplementation (SSI): Increase of \$7.2 million GF/GP <u>House concurs.</u>			
28. Local Office Staff – Adult Protective Services	FTE	530.0	12.0
<u>Executive</u> includes \$6.3 million Gross (\$4.6 million GF/GP) and authorizes 47.0 FTE positions for Adult Protective Services operations as part of an effort to improve core department services. <u>House</u> includes \$1.6 million Gross (\$1.2 million GF/GP) and authorizes 12.0 FTE positions.	Gross	\$63,788,500	\$1,620,700
	Federal	33,226,700	442,100
	GF/GP	\$30,561,800	\$1,178,600
29. Electronic Benefit Transfer (EBT) – Farm Bill Expungement	Gross	\$7,989,000	\$510,000
<u>Executive</u> includes \$510,000 Gross (\$255,000 GF/GP) to support a federal requirement to notify households prior to food assistance expungement. This requirement is a result of a modification to the federal Farm Bill providing for expungements at 9 months. <u>House</u> concurs.	TANF	1,016,000	0
	Federal	2,129,100	255,000
	GF/GP	\$4,843,900	\$255,000
30. Public Assistance Coronavirus State Fiscal Recovery Programs – One-Time	Gross	\$0	\$115,000,000
<u>House</u> includes \$115.0 million federal state fiscal recovery funds (SFRF) for 3 public assistance-related programs, \$50.0 million for energy-related housing renovations of low-time renters and homeowners, \$25.0 million for pre-weatherization, and \$40.0 million for water shutoff protection.	SFRF	0	115,000,000
	GF/GP	\$0	\$0
31. Michigan Agriculture Surplus System – One-Time	Gross	\$2,045,000	\$20,850,000
<u>House</u> includes \$20.9 million GF/GP to purchase additional surplus agricultural products to be distributed to food banks throughout the state through the Food Bank Council of Michigan; provides funding to support the Food and Other Resources (FOR) helpline; and increase food access for older adults residing in the state. The Food Bank Council of Michigan also receives \$2.0 million GF/GP in ongoing funding.	GF/GP	\$2,045,000	\$20,850,000
32. Food Deserts – One-Time	Gross	\$0	\$10,000,000
<u>House</u> includes \$10.0 million GF/GP to support a grant program administered by the Midwest Independent Retailers Association to provide for healthy food and beverage options at small grocers, party stores, and gas stations at locations identified as food deserts in the state.	GF/GP	\$0	\$10,000,000
33. Michigan Relief Plan – One-Time	Gross	\$0	\$3,500,000
<u>House</u> includes \$3.5 million GF/GP to provide a grant to Big Brothers Big Sisters Michigan to hire, train, and place additional adult volunteers to provide one-to-one mentorship to youth throughout the state.	GF/GP	\$0	\$3,500,000

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
BEHAVIORAL HEALTH			
34. Behavioral Health Recruiting and Retention – One-Time	Gross	\$0	\$5,000,000
Executive includes \$5.0 million GF/GP for recruitment and retention programs for behavioral health professionals. House includes \$5.0 million federal Coronavirus State Fiscal Recovery Funds on a one-time basis.	SFRF	0	5,000,000
	GF/GP	\$0	\$0
35. Behavioral Health Accelerated Degree Program – One-Time	Gross	\$0	\$10,000,000
House includes \$10.0 million federal Coronavirus State Fiscal Recovery Funds to provide grants to individuals who agree to enter into an accelerated social work degree program and to work for at least 2 years within the public behavioral health sector after completion of their degree.	SFRF	0	10,000,000
	GF/GP	\$0	\$0
36. Office of Recipient Rights	FTE	21.0	3.0
Executive adds \$327,300 GF/GP and authorizes 3.0 FTE positions to increase the work capacity of the Office Recipient Rights, which receives and investigates Mental Health Code complaints as well as monitors program implementation and training. House concurs.	Gross	\$2,920,100	\$327,300
	GF/GP	\$2,920,100	\$327,300
37. Autism Navigator Program	Gross	\$1,025,000	\$1,000,000
House adds \$1.0 million GF/GP for the autism navigator program.	GF/GP	\$1,025,000	\$1,000,000
38. Conference of Western Wayne Substance Use Disorder Project	Gross	\$500,000	\$1,000,000
House adds \$1.0 million GF/GP for the Conference of Western Wayne specialized detoxification and case management program.	GF/GP	\$500,000	\$1,000,000
39. Recovery High Schools	Gross	\$600,000	(\$300,000)
House reduces \$300,000 GF/GP for Recovery High Schools based on recent utilization.	GF/GP	\$600,000	(\$300,000)
40. Medicaid Mental Health Local Match	Gross	NA	\$0
House includes \$5.0 million GF/GP to replace a like amount of local funding used for Medicaid mental health supports and services. Amount would reflect the fourth year of phasing out the local match portion over a 5-year period.	Local	NA	(4,971,800)
	GF/GP	NA	\$4,971,800
41. State Hospital Occupational Health Clinics	FTE	NA	5.0
Executive includes \$2.2 million GF/GP to establish permanent occupational health clinics in each of the 5 state-operated psychiatric hospitals and centers. The occupational health clinics would manage occupational health issues including workplace safety, infectious disease control, and quality control. House includes \$735,600 GF/GP and authorizes 5.0 FTE positions.	Gross	NA	\$735,600
	GF/GP	NA	\$735,600

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
42. Behavioral Health – One-Time Funding	Gross	NA	\$64,196,100
<u>Executive</u> includes \$13.6 million GF/GP for Multicultural integration and First responder mental health. <u>House</u> includes \$64.2 million GF/GP for the following:	GF/GP	NA	\$64,196,100
<ul style="list-style-type: none"> • Certified Community Behavioral Health Clinic Expansion (\$9.0 million) • Multicultural integration funding (\$8.6 million) • Inpatient psychiatric reimbursement supplement (\$8.0 million) • First responder mental health funding (\$5.0 million) • Families Against Narcotics (\$5.0 million) • Michigan Child Care Collaborative (MC3) program (\$4.7 million) • Clinton Eaton Ingham (CEI) behavioral health campus (\$4.0 million) • Western Michigan University Autism Center (\$4.0 million) • Sacred Heart Rehabilitation Center (\$3.5 million) • Altarum behavioral health software (\$3.0 million) • Direct care worker supervisory training program (\$2.5 million) • Canton Township Youth Mental Health Center (\$2.5 million) • Recovery community organization (\$1.8 million) • Genemarkers (\$1.6 million) • Memorial Healthcare Crisis Residential Unit (\$500,000) • Michigan Osteopathic Association – Safe Opioid Use Task Force (\$500,000) 			
PUBLIC HEALTH			
43. Michigan Coronavirus Task Force on Racial Disparity Initiatives	FTE	NA	15.0
<u>Executive</u> includes \$58.0 Gross (\$52.5 million GF/GP) and authorizes 15.0 FTE positions to support recommendations of the task force including, neighborhood health grants, mobile health units, community zone sites, IT and data collection improvements, staff for DEI training within DHHS, and sickle cell anemia programing. Amount includes \$17.0 million Gross (\$12.0 million GF/GP) on a one-time basis. Section 1159. is related boilerplate. <u>House</u> includes \$47.2 million Gross (\$41.7 million GF/GP) and authorizes 15.0 FTE positions. Amount includes \$23.3 million Gross (\$18.3 million GF/GP) on a one-time basis.	Gross	NA	\$47,177,200
	Federal	NA	5,527,000
	GF/GP	NA	\$41,650,200
44. Healthy Homes Expansion	FTE	21.0	21.0
<u>Executive</u> increases healthy homes funding by \$22.5 million GF/GP and authorizes 45.0 FTE position to support lead investigations and abatements, community-based testing, expanded lab capacity, and water distribution needs. <u>House</u> increases healthy homes by a total of \$18.8 million GF/GP and authorizes 21.0 FTE positions for lab capacity and data sharing, amount includes \$12.5 million GF/GP on a one-time basis.	Gross	\$32,799,400	\$18,766,700
	Federal	19,606,500	0
	Private	77,800	0
	Restricted	723,700	0
	GF/GP	\$12,391,400	\$18,766,700
45. Drinking Water Projects – One-Time	Gross	\$0	\$20,000,000
<u>Executive</u> includes \$100.0 million GF/GP on a one-time basis to replace lead-reducing filters, lead-containing faucets, and other plumbing in more than one million households at risk of lead exposure from drinking water, and includes administrative and public health data sharing collection. <u>House</u> includes \$20.0 million GF/GP on a one-time basis.	GF/GP	\$0	\$20,000,000
46. Newborn Screening Fees	Gross	\$19,298,900	\$1,912,500
<u>Executive</u> recognizes increased newborn screening fee revenue of \$1.9 million from automatic fee adjustment for inflation pursuant to statute, for screening of newborns for genetic conditions. <u>House</u> concurs.	Restricted	19,298,900	1,912,500
	GF/GP	\$0	\$0

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Major Budget Changes from FY 2022-23 YTD Appropriations			
47. Essential Local Public Health Services Increase	Gross	\$51,419,300	\$14,000,000
<u>Executive</u> includes \$30.0 million GF/GP to provide local health departments ongoing support for essential local public health services. <u>House</u> adds \$14.0 million to support an estimated 50% of the costs of essential local public health services.	Local	5,150,000	0
	GF/GP	\$46,269,300	\$14,000,000
48. Community Violence Prevention Initiatives	FTE	6.9	2.0
<u>Executive</u> adds a total of \$10.8 million Gross (\$5.8 million GF/GP) to increase ongoing violence prevention funding by \$800,000 GF/GP to establish an Office of Community Violence Services and to include one-time funding of \$10.0 million Gross (\$5.0 million GF/GP) to reduce firearm related injuries and fatalities and to support community-based organizations that provide community violence intervention services. <u>House</u> concurs and adds an additional \$10.0 million GF/GP for community grant programs for a total of \$20.8 million Gross (\$15.8 million GF/GP).	Gross	\$12,724,000	\$20,800,000
	Federal	12,591,100	0
	Private	0	5,000,000
	GF/GP	\$132,900	\$15,800,000
49. Perinatal Quality Collaboratives – One-Time	FTE	15.0	0.0
<u>Executive</u> includes \$10.0 million GF/GP and authorizes 2.0 FTE positions for grants to local Michigan Perinatal Quality Collaboratives. <u>House</u> includes \$5.5 million GF/GP on a one-time basis.	Gross	\$36,861,800	\$5,500,000
	Federal	15,828,300	0
	Restricted	50,000	0
	GF/GP	\$20,983,500	\$5,500,000
50. Population Health – GF/GP Funds Adjustments Reductions	Gross	NA	(\$100,000)
<u>Executive</u> recognizes reduction of \$170,000 GF/GP including: \$100,000 GF/GP reduction to eliminate funding for public information on human embryo constitution provisions and \$70,000 GF/GP funding reduction on rare disease panel grant <u>House</u> concurs with \$100,000 GF/GP reduction and retains \$70,000 GF/GP for rare disease panel grant.	GF/GP	NA	(\$100,000)
51. Population Health – Non-GF/GP Funds Adjustments	Gross	NA	\$2,729,300
<u>Executive</u> recognizes increase of \$2.7 million federal, private, and restricted funding, including:	Federal	NA	1,000,000
<ul style="list-style-type: none"> \$1.0 million federal funds for AIDS prevention, education, and treatment. \$1.0 million private funds for healthy homes. \$479,300 state restricted increase from Michigan Health Initiative Fund revenues. \$250,000 private funds for chronic disease prevention. 	Private	NA	1,250,000
<u>House</u> concurs.	Restricted	NA	479,300
	GF/GP	NA	\$0
52. Public Health One-Time Funding	Gross	NA	\$27,945,000
<u>House</u> includes \$27.9 million GF/GP for the following:	GF/GP	NA	\$27,945,000
<ul style="list-style-type: none"> LGBTQ+ Healthcare (\$15.0 million) Michigan Breastfeeding Network (\$5.5 million) Leaders Advancing & Helping Communities (\$3.0 million) Tobacco Prevention and Cessation Programs (\$2.5 million) Trinity St. Mary Mobile Mammography (\$1.0 million) National Kidney Foundation of MI (\$450,000) Nurse Family Partnership (\$420,000) Tommy's Heart Foundation (\$75,000) 			
AGING SERVICES			
53. Nutrition Services-Meals on Wheels – One-Time	Gross	NA	\$1,000,000
<u>House</u> includes one-time \$1.0 million GF/GP to provide home-delivered meal programs through the area agencies on aging.	GF/GP	NA	\$1,000,000

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
HEALTH SERVICES			
54. Medicaid Ambulance Rates	Gross	NA	\$13,914,600
Executive adds \$13.9 million Gross (\$3.5 million GF/GP) to keep Medicaid ambulance rates aligned with a recent Medicare ambulance rate increase. House concurs with funding amount and revises Sec. 1788 to index rates to allowable Medicare rates.	Federal	NA	10,463,800
	GF/GP	NA	\$3,450,800
55. Medicaid Dental Redesign Rates	Gross	\$30,000,000	\$80,000,000
Executive adds \$80.0 million federal in Medicaid matching funds related to \$30.0 million GF/GP previously included for the costs of future Medicaid adult dental redesign recommendations. House concurs.	Federal	0	80,000,000
	GF/GP	\$30,000,000	\$0
56. Eliminate Medicaid 5-Year Waiting Period for Legal Residents	Gross	\$0	\$26,359,200
Executive includes \$32.1 million Gross (\$6.4 million GF/GP) to support the elimination of a 5-year eligibility waiting period for legal residents. House concurs with technical federal financing adjustment.	Federal	0	19,959,200
	GF/GP	\$0	\$6,400,000
57. CenteringPregnancy – One-Time	Gross	\$0	\$10,000,000
Executive includes \$10.0 million Gross (\$5.0 million GF/GP) to support grants to CenteringPregnancy sites that provide group session for pregnancy services and resources. House concurs with funds included on a one-time basis.	Federal	0	5,000,000
	GF/GP	\$0	\$5,000,000
58. Hospital Maternal Health Incentives – One-Time	Gross	\$0	\$5,000,000
Executive includes \$10.0 million GF/GP for hospital maternal health incentives through the Alliance for Innovation in Maternal Health (AIM) including focusing on pregnancy-associated injury and death, racial disparities, and substance use disorder. House includes \$5.0 million GF/GP on a one-time basis.	GF/GP	\$0	\$5,000,000
59. Plan First!	Gross	\$0	\$6,200,000
Executive includes \$6.2 million Gross (\$1.0 million GF/GP) to expand eligibility for family-planning services to cases up to 200% of the Federal Poverty Level. House concurs.	Federal	0	5,199,300
	GF/GP	\$0	\$1,000,700
60. Children’s Special Health Care Services	Gross	NA	\$17,012,800
Executive includes \$5.2 million Gross (\$3.7 million GF/GP) to support a targeted case management method of coordination of care for CSHCS recipients, and to expand the age of eligibility for services to 26. House concurs and includes a technical adjustment to transfer in \$11.8 million of Medicaid funding into CSHCS line related to the age of eligibility expansion.	Federal	NA	9,241,500
	GF/GP	NA	\$7,771,300
61. Van Andel Institute Grant – One-Time	Gross	\$1,000,000	\$0
Executive eliminates \$1.0 million GF/GP for a biomedical research and science education grant, as appropriated in Sec. 1363. House moves funding to the one-time unit.	GF/GP	\$1,000,000	\$0
62. Medicaid Professional Services Rate Increase	Gross	NA	\$36,900,000
Executive includes \$73.8 million Gross (\$19.7 million GF/GP) to increase Medicaid reimbursement rates by 10%, up to 63% of Medicare, for professional services, such as: physician services, podiatry services, chiropractic services, and vision and hearing services. House includes \$36.9 million Gross (\$9.9 million GF/GP) to increase rates by 5%.	Federal	NA	27,033,300
	GF/GP	NA	\$9,866,700
63. Medicaid Laboratory Services Rate Increase	Gross	NA	\$0
Executive includes \$12.7 million Gross (\$3.4 million GF/GP) to increase Medicaid reimbursement rates for laboratory services by 10%, up to 91% of Medicare, including those provided in hospitals, local clinics, and other outpatient facilities. House does not include.	Federal	NA	0
	GF/GP	NA	\$0

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 House Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
64. Medicaid Anesthesia Rate Increase	Gross	NA	\$2,900,000
<u>Executive</u> includes \$2.9 million Gross (\$700,100 GF/GP) to increase Medicaid reimbursement rates for anesthesia services by 10%, up to 49% of Medicare. <u>House</u> concurs.	Federal	NA	2,199,900
	GF/GP	NA	\$700,100
65. Medicaid Durable Medical Equipment Rate Increase	Gross	NA	\$0
<u>Executive</u> includes \$18.9 million Gross (\$5.6 million GF/GP) to increase Medicaid reimbursement rates by 10%, up to 97% of Medicare, for the purchase of durable medical equipment, such as wheelchairs, crutches, and other items. <u>House</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0
66. Medicaid Home Health Agency Rate Increase	Gross	NA	\$1,700,000
<u>Executive</u> includes \$1.7 million Gross (\$440,400 GF/GP) to increase Medicaid fee-for-service reimbursement rates by 10% for home-based skilled nursing care, physical therapy, and nurse's aide services. <u>House</u> concurs.	Federal	NA	1,259,600
	GF/GP	NA	\$440,400
67. Medicaid Traumatic Brain Injury Rate Increase	Gross	NA	\$9,500,000
<u>Executive</u> includes \$9.5 million Gross (\$2.5 million GF/GP) to increase Medicaid reimbursement rates by 260% for daily residential and therapeutic services for treatment of patients of traumatic brain injury. <u>House</u> concurs.	Federal	NA	6,954,900
	GF/GP	NA	\$2,545,100
68. Medicaid Recuperative Care Benefit	Gross	\$0	\$4,960,000
<u>Executive</u> includes \$5.0 million Gross (\$2.2 million GF/GP) to provide for a transitional service to homeless Medicaid recipients to assist as they exit inpatient services. <u>House</u> concurs.	Federal	0	2,802,200
	GF/GP	\$0	\$2,157,800
69. Medicare Buy-In Compliance	Gross	NA	\$11,131,600
<u>Executive</u> includes \$11.1 million GF/GP to comply with the federally mandated inclusion of Medicare Part B premium reimbursements for Medicaid recipients that are eligible for both Medicare and traditional Medicaid (dual-eligible). <u>House</u> concurs.	GF/GP	NA	\$11,131,600
70. Program of All-Inclusive Care for the Elderly – Site Expansion	Gross	\$227,102,100	\$2,614,000
<u>Executive</u> includes \$2.6 million Gross (\$906,500 GF/GP) to both increase the enrollment cap at the Kent County PACE site and open an additional site in Alpena by the end of FY 2023-24. <u>House</u> concurs.	Federal	146,957,800	1,707,500
	GF/GP	\$80,144,300	\$906,500
71. Poison Control	Gross	\$2,400,000	\$1,500,000
<u>House</u> adds \$1.5 million GF/GP to the Poison Control program the Wayne State University. Year-to-date amount is an estimated, annual average amount.	Federal	1,278,600	0
	GF/GP	\$1,121,400	\$1,500,000
72. Medicaid Restricted Fund Adjustments	Gross	NA	\$0
<u>Executive</u> reduces a net \$2.5 million GF/GP as a net-zero replacement of restricted revenue authorization to recognize a decrease in revenues from the Medicaid Benefits Trust Fund (\$36.1 million) and Healthy Michigan Fund (\$4.9 million), and recognize an increase in revenues from the Insurance Providers Assessment (\$43.4 million). <u>House</u> concurs.	Restricted	NA	2,447,300
	GF/GP	NA	(\$2,447,300)
73. Transitional Costs for Medicaid Nursing Home Reimbursement Change – One-Time	Gross	\$0	\$110,000,000
<u>Executive</u> includes \$110.0 million Gross (\$102.0 million GF/GP) on a one-time basis in temporary financial assistance for nursing facilities as Medicaid reimbursements move away from a cost settlement reimbursement model to more of an acuity-based model. Amount includes \$10.0 million Gross (\$2.0 million GF/GP) for IT changes related to the reimbursement model change. <u>House</u> concurs.	Federal	0	8,000,000
	GF/GP	\$0	\$102,000,000

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>	<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 House Change</u>	
74. Health Services – One-Time	Gross	NA	\$63,060,100
<u>House</u> includes a total of \$63.1 million GF/GP for the following:	GF/GP	NA	\$63,060,100

- Level 1 and Level 2 Trauma Centers (\$12.0 million)
- Helen Newberry Joy Hospital renovations (\$12.0 million)
- Mary Free Bed Children Rehabilitation (\$10.0 million)
- Corewell psychiatric GME (\$8.0 million)
- American Indian Health and Family Services (\$7.0 million)
- Health Centers careers training program (\$6.0 million)
- U of D Dental (\$2.0 million)
- Honor Community Health residency program (\$2.0 million)
- McLaren Thumb Obstetrics (\$1.5 million)
- Access Health (\$1.2 million)
- Adolescent hair loss fund (\$1.0 million)
- Children's Healing Center (\$350,000)
- FQHC Alternative Payment third party study (\$100,000)
- Michigan Medicine Survival Flight Program (\$100)

ONE-TIME APPROPRIATIONS

75. Remove FY 2022-23 One-Time Appropriations	FTE	6.0	(6.0)
<u>Executive</u> removes one-time appropriations included in FY 2022-23, including one-time appropriations within 194 PA 2022 (SB 844). <u>House</u> concurs. Any of this funding that is retained into FY 2023-24 is noted elsewhere.	Gross	\$555,543,300	(\$555,543,300)
	Federal	59,706,100	(59,706,100)
	GF/GP	\$495,837,200	(\$495,837,200)

Major Boilerplate Changes from FY 2022-23

Executive Boilerplate Deletions

The Executive Budget Recommendation deletes a significant amount of boilerplate language included in the FY 2022-23 budget. The list below includes major changes to boilerplate and is not a comprehensive list of all sections proposed to be deleted.

GENERAL SECTIONS

Sec. 210. Legislative Contingency Transfer Authorization – REVISED

Allows for the legislative transfer process to increase federal authorization by up to \$20 million, state restricted authorization by up to \$20 million, local authorization by up to \$5 million, and private authorization by up to \$2 million; prohibits increasing TANF authorization through the legislative contingency transfer process. Executive revises to increase maximum amounts of contingency authorizations for a total of up to \$525 million. House increases authorization to a total of \$275 million.

Sec. 211/235. Access to State and Local Services – NEW

Executive, in Sec. 211. prohibits appropriations from being used to restrict or interfere with actions related to diversity, equity, and inclusion; to restrict or impede community access to government programs; or restrict an individual's ability to exercise the right to reproductive freedom; requires local governments to report on actions that attempt to restrict duties of local health officers. House, in Sec. 235, concurs.

Sec. 215. Notification of Conflict with Federal Regulation or When Grant Unused – RETAINED

Requires DHHS to provide notice if: (a) a legislative objective in the budget or in a bill to amend the Social Welfare Act cannot be implemented due to conflict with federal regulations; or (b) an awarded federal grant cannot or will not be used. Executive deletes. House retains.

Sec. 218. Basic Health Services and Report – REVISED

Directs DHHS to provide an annual list of proposed basic health services by October 1 to the Legislature as required under Part 23 of the Public Health Code. Executive revises to list out services including immunizations, STD control, newborn screenings, emergency management plan, and prenatal care. House concurs with the Executive and adds mental health to the list of services.

Major Boilerplate Changes from FY 2022-23

Sec. 222. Notification and Report of Policy Changes – RETAINED

Requires written notice of any major policy changes 30 days before implementation, requires policy manual to be available on DHHS website; and requires a report by April 1 on policy changes made to implement new public acts. Executive deletes. House retains.

Sec. 237. Conditions on Funding Regarding COVID Information and Requirements – DELETED

Prohibits DHHS from requiring proof of individual COVID-19 vaccination to access state facilities or services, creating a COVID vaccine passport, or providing COVID vaccine status of an individual to any entity or person without the individual's consent. Also prohibits DHHS from requiring proof of COVID vaccination as a condition of certain employment or subjecting an individual to negative employment consequences because of COVID vaccine status, and requires exemptions to any COVID vaccine policy required to be established due to a federal mandate. Executive and House delete.

Sec. 239. Medicaid Reimbursement for Telemedicine – RETAINED

Requires DHHS to reimburse Medicaid telemedicine services the same as if the services involved face-to-face contact between the provider and patient; this applies to the non-facility component of the reimbursement rate. Executive deletes. House retains.

Sec. 253. Tribal Access to Program and Grants – NEW

Executive and House require DHHS to ensure federally recognized tribes are able to apply for services, programs, grants, and contracts.

Sec. 258. Initiatives Regarding Trauma, Human Trafficking, and Sexual Abuse Prevention – DELETED

Directs DHHS to collaboratively promote and support school and education initiatives including training regarding use of trauma-informed practices and age-appropriate information about human trafficking and sexual abuse prevention; and shall provide a report by March 1. Executive and House delete.

Sec. 288. Services and Administrative Limitations for New Contracts – DELETED

Requires that after the first year of a contract, no less than 90% of a contract supported solely from state funds for a specific entity to provide services to individuals be expended for those services; allows exceptions; and requires a report by September 30 on the rationale for all exceptions and the number of contracts terminated due to violations, unless no exceptions or terminations were made. Executive and House delete.

Sec. 299. Request for Proposal for Contract – DELETED

Prohibits DHHS from issuing a request for proposal (RFP) for a contract in excess of \$5 million, without first considering issuing a request for information (RFI) or a request for qualification (RFQ); DTMB must be notified of evaluation of use of RFI or RFQ; requires that all vendors receive detailed notices of RFP results; and requires report by September 30. Executive and House delete.

COMMUNITY SERVICES AND OUTREACH

Sec. 464/1934. Diaper Assistance Payments – REVISED

Requires DHHS to allocate TANF funding as grants to diaper assistance programs, maternity homes, and other nonprofit agencies for diapering supplies. Executive changes funding source to GF/GP. House keeps funding source as TANF but reduces funding to \$1.5 million and moves to one-time unit. Requires report.

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

Sec. 514/1940. Foster Care Respite Program – NEW

Executive, in Sec. 514, requires the department to establish a statewide respite care services network to provide support to licensed foster parents and unlicensed relative caregivers. House, in Sec. 1940, revises to provide supplemental respite services to foster families in addition respite to services already provided by Medicaid. Requires report.

Sec. 522. Fostering Futures Scholarship – RETAINED

Allocates funds for children in foster care as a result of abuse and neglect to attend college or a career technical educational institution; requires report. Executive revises by eliminating report requirement. House retains.

Sec. 559. Parent-to-Parent – RETAINED

Requires DHHS to allocate funding to an adoptive parent mentor program, Adoptive Family Support Network, to provide a listening ear, knowledgeable guidance, and community connections to adoptive parents and children who were adopted in this state or another state. Requires report. Executive deletes. House retains.

Sec. 569. Private Agency Adoption Completion Payment Rate – RETAINED

Requires DHHS to use the date of adoption petition acceptance by the court for determining the reimbursement rate for private child placing agencies that complete adoptions. Executive deletes. House retains.

Major Boilerplate Changes from FY 2022-23

Sec. 580. Child Legal Representation Program – DELETE

Requires DHHS to establish 2 pilot programs to improve representation for children and parents in child protective hearings. Executive and House delete.

Sec. 578. Child Welfare Education Pilot – NEW

House requires DHHS to establish a scholarship program in partnership with state universities to provide tuition stipends, field placements, and cover other educational expenses for students seeking a Bachelor of Social Work or Master of Social Work. In exchange, students are obligated to work for Michigan child welfare agencies for one year. Requires report.

PUBLIC ASSISTANCE

Sec. 603. Public Assistance Benefits Notification – RETAINED

Requires the department to notify public assistance benefits recipients prior to a reduction in benefits. Executive deletes. House retains.

Sec. 678. FIP Young Child Supplement – REVISED

Provides for a one-time, lump-sum distribution of \$600 for each child under the age of 6 to each applicable FIP case. Executive and House revise to provide for a \$50 per-month, per-child under the age of 6 distribution to each applicable FIP case and annualizes the supplemental benefit.

BEHAVIORAL HEALTH

Sec. 908. Uniform Community Mental Health Credentialing – REVISED

States that contracts with PIHPs and CMHSPs must work toward implementing section 206b of the Mental Health Code on uniform community mental health services credentialing. Executive deletes. House adds requirement to forward the statutory report to the appropriations subcommittee.

Sec. 912. Salvation Army Harbor Light Program – RETAINED

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

Sec. 927. Uniform Behavioral Health Service Provider Audits – DELETED

Requires DHHS to create a uniform community mental health services auditing process for CMHSPs and PIHPs, outlines auditing process requirements, and requires a report. Executive and House delete.

Sec. 950. Court-Appointed Public Guardians – REVISED

Requires DHHS to provide cost offsets to CMHSPs that reimburse court-appointed public guardians for recipients who receive CMHSP services. Cost offsets are capped at \$50.00 per paid public guardian, per month. Executive strikes intent language and reporting requirement. House replaces language with requirement for DHHS to directly provide professional court-appointed guardians with up to \$83.00 per individual, per month for any individual the professional court-appointed guarded does not receive any other reimbursement.

Sec. 960. Autism Services Cost Containment – REVISED

Requires DHHS to continue to cover all autism services that were covered on January 1, 2019; to restrain costs required DHHS to develop written guidance for standardization; and requires 3-year reevaluations, unless a clinician recommended an earlier reevaluation, and require maintenance of statewide provider trainings, limits practitioners who can perform a diagnostic evaluation and requires evaluations performed by a master's level practitioner to be reviewed by a second practitioner, provide fidelity reviews and secondary approvals, and prohibit specific providers from providing both evaluation and treatment; requires a report. Executive deletes. House revises reporting date to February 18.

Sec. 1005. Health Home Programs – REVISED

Requires DHHS to maintain the number of behavioral health homes in PIHP regions 1, 2, 6, 7, and 8 and the number of opioid health homes in PIHP regions 1, 2, 4, 6, 7, 9 and 10, and permits expansion into additional PIHP regions; requires a report. Executive revises to update location of health homes, permits expansion into at least one additional PIHP region and strikes report. House concurs with Executive update, with technical revisions, and expansion into at least one additional PIHP region and retains report.

Sec. 1012. Medicaid Reimbursement for Justice-Involved Individuals – REVISED

States legislative intent that DHHS pursue any and all federal Medicaid waivers to maximize the use of Medicaid reimbursements for justice involved individuals, and requires a report. Executive deletes. House revises to require pursuit of waivers, or partial waivers, for services including prerelease services and reentry benefits.

Major Boilerplate Changes from FY 2022-23

Sec. 1061. Caro Regional Mental Health Center – DELETED

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

POPULATION HEALTH

Sec. 1142. Options for Incentivizing Primary Care Medical School Students to Stay in Michigan – DELETED

Requires DHHS to find methods to increase retention of Michigan medical school students who complete their residency requirements to remain within the state and serve as primary care physicians. Executive and House delete.

Sec. 1146. Bone Marrow Donor Program – DELETED

Allocates \$250,000 to Versiti Blood Center for the match registry of the national marrow donor program. Executive and House delete and transfer \$250,000 GF/GP to sec. 1147.

Sec. 1147. Blood Bank Programs – REVISED

Allocates \$500,000 to Versiti Blood Center for cord blood bank. Executive revises by including additional \$250,000 from deleted section 1146. House concurs and renames Cellular Therapy for Versiti Michigan.

Sec. 1182. Lead Abatement of Homes – REVISED

Allocates no less than \$7.3 million GF/GP and \$18.3 million federal funds for lead abatement of home. Additionally, requires DHHS to report a funding allocation schedule, expenditures, revenues received, a description of program elements number of housing units abated of lead-based paint hazards, and description of program accomplishments and progress by April 1st. Executive deletes. House retains reporting requirement.

Sec. 1222. Essential Local Public Health Services – REVISED

Directs that (1) essential local public health services funds be prospectively allocated to local public health departments for nine state and local cost-shared services, some provided in consultation with Department of Agriculture and Rural Development and Department of Environment, Great Lakes, and Energy;(2) local public health departments are held to contractual standards for the nine state and local-cost shared services;(3) distributions must be made only to counties that maintain local spending of at least the amount expended in 1992-93; (4) if a local health officer has an emergency order under MCL 333.2453, funds appropriated must not be distributed by the department to that local entity; (5) requires a report by February 1; (6) requires state distribution formula to be used; (7) from the funds allocated for essential local public health services, allocations shall not be less than the previous fiscal year. Executive and House revise by deleting subsection (2), (4), (6), and (7).

Sec. 1301. Pregnancy Planning, Prenatal, and Maternal and Child Health Programs Report – RETAINED

Requires a report for funding allocations, breakdown of expenditures, and number of women, children, and adolescents served. The report is required by April 1st. Additionally, DHHS must ensure the distribution of funds takes into account the needs of rural communities, which is defined as a county, city, village, or township with a population of 30,000 or less. Executive deletes. House retains.

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

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

Sec. 1304. Prohibit Use of State Funds for Abortion Counseling, Referrals, or Services – DELETED

DHHS is unable to use state restricted or GF/GP funds appropriated in pregnancy prevention program or family planning local agreements for abortion counseling, referrals, or services. Executive and House delete.

Sec. 1312. Prenatal Care and Premature Birth Avoidance Grant Allocation – REVISED

Allocates \$1.0 million as a grant to fulfill contract obligations between DHHS and a federal Healthy Start Program located in a county with a population between 600,000 and 700,000. Eligibility for the program funding requires partnership between various health agencies and use a social impact bonding strategy to support underserved populations for prenatal care and premature birth avoidance. Revises by including allocation of \$1.0 million through a competitive process for grants to improve and reduce infant death rates and negative maternal outcomes. Executive revises by including allocation of \$1.0 million through a competitive process for grants to improve and reduce infant death rates and negative maternal outcomes. House concurs and includes reporting requirement.

Major Boilerplate Changes from FY 2022-23

HEALTH SERVICES

Sec. 1601. Remedial Services Costs and Medicaid Eligibility – RETAINED

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

Sec. 1615. Encounter Claims Data – DELETED

Requires the department to provide oversight of Medicaid claims encounter data to insure the integrity of actuarial rates; allows the department to request certain information from Medicaid health plans; and provides for the intent that the department conduct annual audits of Medicaid claims and provide for remedial actions to mitigate errors in actuarial rates. Executive and House delete.

Sec. 1616. Community Health Workers – REVISED

Requires DHHS to seek federal authority to enroll and recognized Community Health Workers as Medicaid providers; seek federal matching funds for services; requires any expansion be geographically broad-based, evidence-based, and commensurate with applicable training; details the extent of the authority request; and requires a report. Executive deletes. House revises date from September 30 to October 1.

Sec. 1646. Nursing Facility Quality Measure Initiative Program – REVISED

Requires DHHS to continue a nursing facility quality measure initiative program financed through the nursing facility QAAP and establishes distribution criteria; requires report on program effectiveness. Executive deletes. House revises to only require a report on program effectiveness.

Sec. 1854. PACE Enrollment Cap – REVISED

Requires DHHS to maintain an enrollment cap equal to, or greater than, 7,288 PACE slots. Executive retains. House revises enrollment cap to 7,553.

Sec. 1856. Hospice Room and Board Payments – RETAINED

Requires DHHS expend funds to provide room and board payments to hospice residences, that have been enrolled in Medicaid by October 1, 2017, through monthly grants based on the number of beds; requires hospice residences to report program data to DHHS; and requires any remaining funds be returned to the state. Executive revises to contract with hospice residences enrolled in Medicaid by October 1, 2014 and strikes legislative report. House retains.

Sec. 1875. Prior Authorization for Certain Drugs – DELETED

Does not allow DHHS to subject Medicaid prescription drugs to prior authorization if they were either carved out or not subject to prior authorization procedures as of January 22, 2021 or is an orally administered treatment for Duchenne Muscular Dystrophy, defines "prior authorization". Executive and House delete.

INFORMATION TECHNOLOGY

Sec. 1907. IT Contract Costs – DELETED

Requires the department to report annually on the cumulative spending by information technology contractual services and project. Executive and House delete.