

SB 272, As Passed Senate, March 20, 2001

**SUBSTITUTE FOR
SENATE BILL NO. 272
(As amended March 20, 2001)**

A bill to amend 2000 PA 296, entitled

"An act to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; to provide for disposition of fees and other income received by the various state agencies; and to repeal acts and parts of acts,"

by adding section 418.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 418. (1) FROM THE FUNDS APPROPRIATED IN SECTION 104 FOR
2 MEDICAID MENTAL HEALTH SERVICES AND MEDICAID SUBSTANCE ABUSE
3 SERVICES, FOR EACH MONTH OF FISCAL YEAR 2000-01 BEGINNING ON APRIL
4 1, 2001, THE DEPARTMENT SHALL INCREASE THE BASE CAPITATION PAYMENT
5 RATE TO EACH COMMUNITY MENTAL HEALTH BOARD FOR MENTAL HEALTH
6 SERVICES BY 6.3%, SERVICES FOR THE DEVELOPMENTALLY DISABLED BY

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1 4.9%, AND SUBSTANCE ABUSE SERVICES BY 7.5%. THIS SUBSECTION
2 REPLACES THE DEPARTMENT'S FORMULA FOR DETERMINING THE AMOUNT OF
3 REIMBURSEMENT FOR RETROACTIVE MEDICAID ELIGIBLES FOR MENTAL HEALTH
4 SERVICES, SERVICES TO THE DEVELOPMENTALLY DISABLED, AND SUBSTANCE
5 ABUSE SERVICES TO COMMUNITY MENTAL HEALTH BOARDS USED BY THE
6 DEPARTMENT PRIOR TO THE EFFECTIVE DATE OF THIS AMENDATORY ACT.
7 (2) TO IMPLEMENT THE CAPITATION RATE INCREASES IN
8 SUBSECTION(1), FOR EACH MONTH OF FISCAL YEAR 2000-01 BEGINNING ON
9 APRIL 1, 2001, THE DEPARTMENT SHALL ADJUST THE CAPITATION PAYMENT TO
10 EACH COMMUNITY MENTAL HEALTH BOARD BY MODIFYING THAT COMMUNITY
11 MENTAL HEALTH BOARD'S INTENSITY FACTOR TO REFLECT THAT COMMUNITY
12 MENTAL HEALTH BOARD'S NUMBER OF RETROACTIVE ELIGIBLE MONTHS AS A
13 PERCENTAGE OF TOTAL MEDICAID ELIGIBLE MONTHS. FOR EACH MONTH OF
14 FISCAL YEAR 2000-01 BEGINNING ON APRIL 1, 2001, THE DEPARTMENT SHALL
15 ONLY MAKE MONTHLY CAPITATION PAYMENTS TO A COMMUNITY MENTAL HEALTH
16 BOARD FOR INDIVIDUALS ELIGIBLE FOR MEDICAID FOR THAT MONTH. IF THIS
17 SUBSECTION CANNOT BE IMPLEMENTED ON APRIL 1, 2001 BECAUSE
18 PROGRAMMING CHANGES IN THE DEPARTMENT'S PAYMENT SYSTEM ARE REQUIRED,
19 THE CURRENT MEDICAID RETROACTIVE REIMBURSEMENT METHODOLOGIES WILL
20 REMAIN IN EFFECT UNTIL THE FIRST DAY OF THE MONTH FOLLOWING THE
21 MONTH THAT THE SYSTEM PROGRAMMING CHANGES HAVE BEEN EFFECTED.
22 (3) THE DEPARTMENT SHALL IMMEDIATELY CONVENE AN ADVISORY GROUP
23 COMPRISED OF DEPARTMENT OF COMMUNITY HEALTH AND STATE BUDGET OFFICE
24 STAFF, UP TO 4 REPRESENTATIVES FROM THE MICHIGAN ASSOCIATION OF
25 COMMUNITY MENTAL HEALTH BOARDS, AND THE CHAIRPERSONS OF THE SENATE
26 AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY HEALTH OR THEIR
27 DESIGNEES, TO MONITOR THE DEPARTMENT'S COMPLIANCE WITH THE

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1 CAPITATION RATE INCREASES REQUIRED UNDER SUBSECTION (1).

2 (4) ALL OF THE FOLLOWING APPLY TO APPROPRIATIONS FOR MEDICAID MENTAL HEALTH SERVICES OR MEDICAID SUBSTANCE ABUSE SERVICES IN FISCAL YEAR 2000-01:

(A) THE DEPARTMENT SHALL NOT TRANSFER OR LAPSE ANY SPENDING AUTHORIZATION FROM EITHER THE MEDICAID MENTAL HEALTH SERVICES OR MEDICAID SUBSTANCE ABUSE SERVICES LINE ITEMS.

(B) IF AGGREGATE CAPITATION PAYMENTS FAIL TO EXHAUST THE SPENDING AUTHORIZATION OF THESE LINE ITEMS BY THE END OF FISCAL YEAR 2000-01, THE DEPARTMENT SHALL DISTRIBUTE THE REMAINING FUNDS TO EACH COMMUNITY MENTAL HEALTH BOARD BASED ON A FORMULA THAT REFLECTS EACH COMMUNITY MENTAL HEALTH BOARD'S FISCAL YEAR 2000-01 TOTAL MEDICAID CAPITATION PAYMENTS AS A PROPORTION OF THE FISCAL YEAR 2000-01 TOTAL MEDICAID ELIGIBLE CAPITATION PAYMENTS FOR ALL COMMUNITY MENTAL HEALTH BOARDS.

(C) IF CHANGES IN CASELOAD OR CASE MIX AFTER MARCH 31, 2001 RESULT IN EXPENDITURE INCREASES NOT OTHERWISE FUNDED UNDER THE SPENDING AUTHORIZATION FROM EITHER THE MEDICAID MENTAL HEALTH SERVICES OR MEDICAID SUBSTANCE ABUSE SERVICES LINE ITEMS, THE STATE BUDGET DIRECTOR SHALL RECOMMEND A TRANSFER OR SUPPLEMENTATION OF FUNDS SUFFICIENT TO OFFSET THE INCREASE IN EXPENDITURES.

(5) THE CHANGE FROM RETROSPECTIVE TO PROSPECTIVE PAYMENTS FOR PERIODS OF RETROACTIVE ELIGIBILITY SHALL NOT BE IMPLEMENTED UNTIL THE DEPARTMENT HAS FILED A WAIVER AMENDMENT WITH, AND RECEIVED APPROPRIATE APPROVALS FROM, THE HEALTH CARE FINANCING ADMINISTRATION TO IMPLEMENT SUCH A CHANGE.

(6) THE DEPARTMENT SHALL RETAIN THE ABILITY TO IDENTIFY AND REPORT TO COMMUNITY MENTAL HEALTH BOARDS THE MONTHS OF RETROACTIVE ELIGIBILITY IN ORDER TO FACILITATE THE APPROPRIATE APPLICATION OF MEDICAID FUNDS TO THESE INDIVIDUALS.