



15441 Middlebelt Road
Livonia, MI 48154
P: (734) 525-0831
F: (734) 525-2453
Toll Free: (800) 482-0118
www.miassistedliving.org

SPECIAL REPORT

TO: Specialized Providers Funded through CMHSPs

FROM: Robert Stein and Kathleen Murphy

RE: Governor Signs 2010-11 DCH Budget

DATE: October 4, 2010

We are pleased to report that Governor Jennifer Granholm signed last Thursday the Department of Community Health (DCH) budget for the new fiscal year beginning October 1. The Governor vetoed four line items, none of which impacts supports and services provided by residential and vocational services providers. As outlined in our September 22, 2010 Special Report to you, the budget news is very favorable including the following:

1. Prepaid Inpatient Health Plans (PIHPs) will receive an overall actuarially sound rate increase of 1.4 percent in Medicaid funding. The original proposal would have provided a 3 percent increase.
2. The reduction in CMH non-Medicaid services (General Fund) will be only \$5.4 million. Of this total reduction, \$3.8 million will be from administrative funds and \$1.6 million will be from services. By contrast, the Senate had initially recommended a \$54 million General Fund cut in services.
3. As previously reported, we were victorious in convincing the Michigan Legislature to approve \$2.1 million to cover the cost of FBI employee criminal background checks rather than shifting that cost to providers. Governor Granholm did not veto this additional funding. As a result, the state will continue to cover the cost of these FBI employee criminal background checks.
4. The Governor supported the decision of the Michigan Legislature to reinstate funding for Medicaid adult dental and podiatric services at a total cost of approximately \$20.8 million.
5. The Governor supported Section 490 boilerplate language which requires DCH to establish a workgroup to develop a plan to maximize uniformity and consistency in the standards required of providers contracted with PIHPs, CMHSPs and Coordinating Agencies. MALA looks forward to participating on this workgroup.

Now that the budget process is completed, MALA and its government relations firm Kelley Cawthorne will monitor the implementation of the various budget decisions. Please call or email us with any budget questions or concerns throughout the year.

ROBERT L. STEIN
General Counsel
1-800-482-0118 ext. 2400
rstein@miassistedliving.org

KATHLEEN M. MURPHY
General Counsel
1-800-482-0118 ext. 2401
kmurphy@miassistedliving.org