



FY 2015-16 LEGISLATIVE TRANSFER PACKAGE

Department/Budget Area	FY 2015-16 Year-to-Date Gross Appropriation	Contingency Transfer Amount	Standard Transfer Amount	Total Transfer Amount	Page Number	Transfer Percent of Y-T-D Gross
Corrections	\$1,962,226,000	\$0	\$13,865,000	\$13,865,000	1	0.7%
Health & Human Services	25,071,487,200	0	199,449,700	199,449,700	4	0.8%
Talent & Economic Development	1,153,023,500	0	4,400,000	4,400,000	8	0.4%
Total		\$0	\$217,714,700	\$217,714,700		

FY 2015-16 LEGISLATIVE TRANSFER PACKAGE FUND SOURCES

Department/Budget Area	Federal	Private	Local	State Restricted	GF/GP	Total Transfer Amount
Corrections	\$0	\$0	\$0	\$0	\$13,865,000	\$13,865,000
Health & Human Services	133,934,900	0	0	0	65,514,800	199,449,700
Talent & Economic Development	0	0	0	0	4,400,000	4,400,000
Total	\$133,934,900	\$0	\$0	\$0	\$83,779,800	\$217,714,700

January 27, 2016

State Budget Office Request 2016-1, January 13, 2016

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2016-1

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2015-16

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 1/27/16	HOUSE ACTION 1/20/16
TOTAL TRANSFER REQUEST: \$13,865,000				
FROM: CORRECTIONAL FACILITIES				
Alger Correctional Facility - Munising State general fund/general purpose	29,943,600	(359,000) (359,000)	(359,000) (359,000)	(359,000) (359,000)
Baraga Correctional Facility - Baraga State general fund/general purpose	34,636,600	(355,000) (355,000)	(355,000) (355,000)	(355,000) (355,000)
Bellamy Creek Correctional Facility - Ionia State general fund/general purpose	42,754,300	(528,000) (528,000)	(528,000) (528,000)	(528,000) (528,000)
Earnest C. Brooks Correctional Facility - Muskegon State general fund/general purpose	49,684,800	(1,006,000) (1,006,000)	(1,006,000) (1,006,000)	(1,006,000) (1,006,000)
Carson City Correctional Facility - Carson City State general fund/general purpose	47,371,800	(2,100,800) (2,100,800)	(2,100,800) (2,100,800)	(2,100,800) (2,100,800)
Central Michigan Correctional Facility - St. Louis State general fund/general purpose	45,566,600	(820,000) (820,000)	(820,000) (820,000)	(820,000) (820,000)
Chippewa Correctional Facility - Kincheloe State general fund/general purpose	49,228,800	(74,000) (74,000)	(74,000) (74,000)	(74,000) (74,000)
G. Robert Cotton Correctional Facility - Jackson State general fund/general purpose	43,194,100	(581,000) (581,000)	(581,000) (581,000)	(581,000) (581,000)
Detroit Reentry Center State general fund/general purpose	26,772,500	(125,200) (125,200)	(125,200) (125,200)	(125,200) (125,200)

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2016-1

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2015-16

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 1/27/16	HOUSE ACTION 1/20/16
Charles E. Egeler Correctional Facility - Jackson State general fund/general purpose	43,926,700	(900,000) (900,000)	(900,000) (900,000)	(900,000) (900,000)
Richard A. Handlon Correctional Facility - Ionia State general fund/general purpose	29,037,900	(314,000) (314,000)	(314,000) (314,000)	(314,000) (314,000)
Gus Harrison Correctional Facility - Adrian State general fund/general purpose	48,151,300	(423,000) (423,000)	(423,000) (423,000)	(423,000) (423,000)
Ionia Correctional Facility - Ionia State general fund/general purpose	32,910,300	(442,000) (442,000)	(442,000) (442,000)	(442,000) (442,000)
Kinross Correctional Facility - Kincheloe State general fund/general purpose	35,662,100	(1,800,000) (1,800,000)	(1,800,000) (1,800,000)	(1,800,000) (1,800,000)
Marquette Branch Prison - Marquette State general fund/general purpose	38,368,400	(1,200,000) (1,200,000)	(1,200,000) (1,200,000)	(1,200,000) (1,200,000)
Michigan Reformatory - Ionia State general fund/general purpose	34,564,800	(530,500) (530,500)	(530,500) (530,500)	(530,500) (530,500)
Newberry Correctional Facility - Newberry State general fund/general purpose	23,800,300	(100,000) (100,000)	(100,000) (100,000)	(100,000) (100,000)
Oaks Correctional Facility - Eastlake State general fund/general purpose	33,349,500	(440,800) (440,800)	(440,800) (440,800)	(440,800) (440,800)
Ojibway Correctional Facility - Marenisco State general fund/general purpose	22,938,500	(285,200) (285,200)	(285,200) (285,200)	(285,200) (285,200)

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2016-1

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2015-16

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 1/27/16	HOUSE ACTION 1/20/16
Pugsley Correctional Facility - Kingsley State general fund/general purpose	24,354,900	(278,400) (278,400)	(278,400) (278,400)	(278,400) (278,400)
Special alternative incarceration program - Cassidy Lake State general fund/general purpose	13,431,500	(239,100) (239,100)	(239,100) (239,100)	(239,100) (239,100)
St. Louis Correctional Facility - St. Louis State general fund/general purpose	35,827,900	(156,000) (156,000)	(156,000) (156,000)	(156,000) (156,000)
Womens Huron Valley Correctional Complex - Ypsilanti State general fund/general purpose	58,003,600	(653,000) (653,000)	(653,000) (653,000)	(653,000) (653,000)
Woodland Correctional Facility - Whitmore Lake State general fund/general purpose	32,617,900	(154,000) (154,000)	(154,000) (154,000)	(154,000) (154,000)
TO: HEALTH CARE				
Clinical and mental health services and support State general fund/general purpose	195,566,900	13,865,000 13,865,000	13,865,000 13,865,000	13,865,000 13,865,000

The Administration is requesting a transfer to address costs associated with the treatment of Hepatitis C resulting from decisions on the standard of care made by the Michigan Pharmacy and Therapeutics Committee. Hepatitis C is a slow-growing viral disease that affects the liver, contracted mainly through blood-to-blood contact.

The Pharmacy and Therapeutics Committee has recommended the use of specialty drugs, such as Harvoni, for individuals with a Metavir Score of F3 or F4. The Metavir Score assesses the level of inflammation, thickening, or scarring of connective tissue in the liver of individuals with Hepatitis C, with scores of F3 or F4 being the highest levels of severity. These specialty drugs are a cure for Hepatitis C, although they do not prevent future reinfections.

If the transfer is approved, the treatment approach utilized by the Department will not significantly change, but the funds will be used to address the current backlog of prisoners in the F3 and F4 stages, currently projected at 340, by increasing the number of treatment slots from 15 to 50. The Department expects to control spending in various correctional facility line items by delaying the replacement of equipment and physical plant infrastructure projects, which would reduce spending sufficiently to free up funds for this transfer.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2016-1

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2015-16

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 1/27/16	HOUSE ACTION 1/20/16
TOTAL TRANSFER REQUEST: \$35,547,100				
FROM: MEDICAL SERVICES				
Physician services	334,848,800	(10,000,000)	(10,000,000)	(10,000,000)
State general fund/general purpose		(10,000,000)	(10,000,000)	(10,000,000)
Health plan services	5,011,623,000	(25,547,100)	(25,547,100)	(25,547,100)
Total federal revenues		(13,828,400)	(13,828,400)	(13,828,400)
State general fund/general purpose		(11,718,700)	(11,718,700)	(11,718,700)
TO: MEDICAL SERVICES				
Pharmaceutical services	300,132,400	7,835,500	7,835,500	7,835,500
Total federal revenues		5,261,800	5,261,800	5,261,800
State general fund/general purpose		2,573,700	2,573,700	2,573,700
Healthy Michigan plan	3,726,633,700	1,556,300	1,556,300	1,556,300
Total federal revenues		1,556,300	1,556,300	1,556,300
CHILDREN'S SPECIAL HEALTH CARE SERVICES				
Medical care and treatment	188,291,400	26,155,300	26,155,300	26,155,300
Total federal revenues		7,010,300	7,010,300	7,010,300
State general fund/general purpose		19,145,000	19,145,000	19,145,000

The Administration is requesting a transfer to address costs associated with the treatment of Cystic Fibrosis resulting from decisions on the standard of care made by the Michigan Pharmacy and Therapeutics Committee. Cystic Fibrosis is a genetic disease which results in a thick buildup of mucus within the lungs, pancreas, and other organs. The mucus buildup decreases lung function and traps bacteria within the lungs, causing infections and lung damage over time.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2016-1

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2015-16

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 1/27/16	HOUSE ACTION 1/20/16

The Pharmacy and Therapeutics Committee has recommended the use of the drug Orkambi to treat individuals with Cystic Fibrosis. While Orkambi is not a cure for cystic fibrosis, it has been found to extend and increase the quality of life for beneficiaries receiving treatment. This drug is aimed at children 12 and older who have the most common genetic mutation which causes Cystic Fibrosis (approximately 46% of the population).

The increase will be used to provide Orkambi to 320 eligibles enrolled in the Medicaid and Children's Special Health Care programs. For the 127 eligibles in the Children's Special Health Care Services system who do not qualify for traditional Medicaid or the Healthy Michigan Plan program, the State must pay the full cost for Orkambi, which is \$243,604.56 per eligible per year. For the remaining 190 eligibles on traditional Medicaid, the Healthy Michigan Plan, or MiChild, the State will receive a discounted rate of \$207,503.88 per eligible per year after rebates. The Administration has assumed an April 2016 implementation date.

There are excess funds available in the Physician Service and Health Plan Services lines due to lower-than-anticipated Medicaid caseload expenditures, as well as greater access to higher Federal SCHIP matching funds.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2016-1

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2015-16

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 1/27/16	HOUSE ACTION 1/20/16
TOTAL TRANSFER REQUEST: \$163,902,600				
FROM: MEDICAL SERVICES				
Physician services	334,848,800	(19,069,800)	(19,069,800)	(19,069,800)
Total federal revenues		(19,069,800)	(19,069,800)	(19,069,800)
Hospital services and therapy	1,139,960,500	(29,069,800)	(29,069,800)	(29,069,800)
Total federal revenues		(19,069,800)	(19,069,800)	(19,069,800)
State general fund/general purpose		(10,000,000)	(10,000,000)	(10,000,000)
Health plan services	5,011,623,000	(43,105,700)	(43,105,700)	(43,105,700)
Total federal revenues		(34,300,500)	(34,300,500)	(34,300,500)
State general fund/general purpose		(8,805,200)	(8,805,200)	(8,805,200)
Dental services	233,674,300	(14,534,900)	(14,534,900)	(14,534,900)
Total federal revenues		(9,534,900)	(9,534,900)	(9,534,900)
State general fund/general purpose		(5,000,000)	(5,000,000)	(5,000,000)
Integrated care organizations	454,700,000	(58,122,400)	(58,122,400)	(58,122,400)
Total federal revenues		(38,131,500)	(38,131,500)	(38,131,500)
State general fund/general purpose		(19,990,900)	(19,990,900)	(19,990,900)
TO: MEDICAL SERVICES				
Pharmaceutical services	300,132,400	127,323,700	127,323,700	127,323,700
Total federal revenues		83,527,600	83,527,600	83,527,600
State general fund/general purpose		43,796,100	43,796,100	43,796,100
Healthy Michigan plan	3,726,633,700	36,578,900	36,578,900	36,578,900
Total federal revenues		36,578,900	36,578,900	36,578,900

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2016-1

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2015-16

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 1/27/16	HOUSE ACTION 1/20/16

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The Pharmacy and Therapeutics Committee has recommended the use of specialty drugs, such as Harvoni, for individuals with a Metavir Score of F3 or F4. The Metavir Score assesses the level of inflammation, thickening, or scarring of connective tissue in the liver of individuals with Hepatitis C, with scores of F3 or F4 being the highest levels of severity. These specialty drugs are a cure for Hepatitis C, although they do not prevent future reinfections.

The increase will be used to provide specialty drugs to an estimated 2,735 eligibles within the traditional Medicaid program, and 786 individuals within the Healthy Michigan Plan. For people within the Medicaid system, the State will receive a discounted rate of \$46,550 per eligible per course of treatment. The Administration has assumed an April 2016 implementation date.

There are excess funds available in the Medical Services section due to lower-than-anticipated Medicaid caseload expenditures, as well as greater access to higher Federal SCHIP matching funds.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2016-1

BUDGET AREA: TALENT AND ECONOMIC DEVELOPMENT

FISCAL YEAR: 2015-16

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 1/27/16	HOUSE ACTION 1/20/16
TOTAL TRANSFER REQUEST: \$4,400,000				
FROM: ONE-TIME BASIS ONLY APPROPRIATIONS				
Film incentives	25,000,000	(4,400,000)	(4,400,000)	(4,400,000)
State general fund/general purpose	25,000,000	(4,400,000)	(4,400,000)	(4,400,000)
TO: ONE-TIME BASIS ONLY APPROPRIATIONS				
Special grants	5,150,000	4,400,000	4,400,000	4,400,000
State general fund/general purpose	5,150,000	4,400,000	4,400,000	4,400,000

This request transfers \$4.4 million General Fund from the one-time Film Incentives appropriation to the one-time Special Grants appropriation to support a portion of Phase I of the Dort Highway Extension project. These funds were previously anticipated to lapse at year-end from the film incentives appropriation. There will be \$1,095,000 million remaining in the Film Incentive line item after this transfer. The purpose of this project is to extend Dort Highway from I-75 to Baldwin Road in Genesee County in order to provide access to the western portion of the Genesys Health Park Campus. A Memorandum of Understanding between the Michigan Strategic Fund and the Michigan Department of Transportation (MDOT) will be established granting MDOT oversight of the funds. Following approval of this transfer, a contract between MDOT and the Genesee County Road Commission will be initiated. The Special Grants line item does not have any additional boilerplate language specifying the grants.