



AREA AGENCIES ON AGING ASSOCIATION OF MICHIGAN
ASSOCIATE MEMBER NEWS
Week of October 26, 2009

Michigan now has a budget . . . almost one month after the start of the 2010 fiscal year. On Friday, Governor Granholm signed the remaining budget bills that had been held up by Senate Majority Leader Mike Bishop, including the budget of the Michigan Department of Community Health (DCH). House Bill 4436 can be found in its entirety on the Legislature's website at www.michiganlegislature.org.

Despite the cutting environment in Lansing, the DCH budget does include a \$17 million funding increase/shift to the MI Choice Waiver program and a 50 cents increase in Home Help worker wages, raising most workers in the state from \$7.50/hour to \$8/hour.

True to the agreement forged by House Speaker Andy Dillon and Senate Majority Leader Mike Bishop, legislators balanced the budget entirely by cutting or eliminating programs. No new taxes or revenues were approved. However, \$1.4 billion in federal stimulus dollars were used to plug holes in the state budget in 2010; most of those funds will be gone in FY 2011.

Altogether, the Governor vetoed 70 programs in various budgets, totally \$127 million in spending. Nine programs were vetoed in the DCH budget, none of them affecting the Office of Services to the Aging. The list of the vetoed line-items is not available as the Associate Member News goes to press, but will be included in next week's edition.

Granholm expressed dissatisfaction with the cuts made by the Legislature in the DCH budget, specifically the 8% reduction to Medicaid providers and \$40 million in cuts to community health programs. She also expressed concern about "savings assumptions" in the bill that are unrealistic. Others have also commented that there is revenue padding in the DCH budget. For example, the Legislature projected additional savings from estate recovery (increased from \$8 million in the Governor's budget to \$30 million), third party liability for Medicaid claims, and Medicaid fraud and abuse efforts. Some or all of these are likely the savings she is questioning.

The Governor vetoed a number of DCH boilerplate items that earmarked funding for pet projects for specific Legislators. She also vetoed a mysterious boilerplate item that appeared late in the process which allocated \$120,100 from OSA nutrition funding to a "Michigan agricultural surplus system." Granholm says that funding for this program is maintained in the Department of Human Services budget and she is approving it there.

A new boilerplate item of interest (Section 1808) requires DCH to develop rates to enroll dual eligibles into Medicaid HMOs that also have Medicare Special Needs Plans.

A woman on the waiting list for the MI Choice waiver . . . died from bedsores, as reported this week by the Detroit Free Press and the Detroit News. Agnes Cooper's daughter and caregiver, Stephanie, pleaded no contest to involuntary manslaughter in an Oakland County court and was sentenced this week to probation. Agnes Cooper, a retired postal worker, was bedridden due to multiple sclerosis and several strokes. She refused to allow her daughter to place her in a nursing home. The Department of Human Services is investigating the case.

© All rights reserved. Do not fax or copy without permission.