

Michigan Department of Health and Human Services

FY 2026-27 Senate Subcommittee Budget Bill SB 857 (S-1)

Item #	Dec. Doc. #		Gross	GF/GP	Notes
1		FY 2025-26 YTD BUDGET	\$30,025,568,200	\$7,132,247,500	
2		Removal of One-Time Items	(202,056,900)	(100,000,000)	
3		Gov. Rec. Employee Economics	44,870,900	29,433,200	
4		Gov. Rec. Caseload Adjustments	1,252,478,800	412,201,900	
5		Gov. Rec. Other Current Services Baseline Adjustments	9,289,621,000	133,524,300	
6		FY 2026-27 Gov. Rec. Baseline Budget	40,410,482,000	7,607,406,900	
Stipulations					
7		Senate Subcommittee Target	--	\$7,339,241,200	
8		Executive Recommendation		6,987,145,300	
9		Amount Over/(Under) Executive Recommendation		352,095,900	
Ongoing					
10	82	GF/GP Reductions to Exec. Rec. caseload	(\$100,000,000)	(\$100,000,000)	
11	70	Fund shift: MATF from GF/GP (21st Cent. Jobs Fund)	0	(75,000,000)	
12	70	Fund shift: MATF from GF/GP (Fund balance)	0	(16,000,000)	
13	74	Transition savings: MI health link to MICH	20,887,100	(2,769,400)	
14	8	Reversal of CSB SNAP Admin costs fund w/HR1 fund	0	(94,250,600)	
15	72a	Direct care worker wage: 25 & 26 \$17.15/hr wage	258,427,200	87,333,100	
16	72b	Direct care worker wage: 27 \$18.40/hr wage	69,467,200	23,475,800	
17	72c	Direct care worker wage: Earned Sick Time Act	23,955,100	8,095,400	
18	6a	H.R. 1 implementation - staffing costs	51,584,800	0	
19	6c	H.R. 1 implementation - beneficiary support	7,432,200	0	
20	54	1/2 Exec. Rec. for new psych hospital costs	35,566,400	32,500,000	
21	83	Fund shift: CTF for GF/GP Medicaid trans.	0	(6,400,000)	
22	84	Fund shift: OBRA for GF/GP Long-term care	0	(18,901,200)	
One-Time					
23	89	State psych DSH penalty payment; partial restr. fund	54,722,900	18,901,200	
24	89	Home help caregiver council	2,000,000	1,000,000	
25	91	Water affordability	10,000,000	10,000,000	
26	91	Weatherization assistance	10,000,000	10,000,000	
27	91	Permanent supportive housing	5,000,000	5,000,000	
28	91	Funding for state psychiatric hospital costs	3,600,000	3,600,000	
29	91	Competitive community health infrastruct. grants	10,000,000	10,000,000	
30	91	Uterine fibroid study	250,000	250,000	
Savings/Reductions					
Subcommittee Recommendation - Ongoing					
31	39	Remove Altarum health information tool	(\$600,000)	(\$600,000)	
32	19	Remove CSB print center cost increases	(10,051,500)	(3,657,700)	
33	20a	Property management savings	(16,437,200)	(10,000,000)	
34	87	Reduce ongoing IT services and projects line	(58,475,800)	(16,534,800)	
35	13	Eliminate GF/GP DHHS marketing and outreach	(6,191,900)	(6,191,900)	
36	11	Elimin. of GF/GP cost in vacant FTE positions (22.3)	(3,185,900)	(3,185,900)	
37	81b	Assumed pharm savings (generic/MFN)	(294,248,400)	(75,000,000)	
38	81a	Reduced audit compliance costs managed care	(21,493,200)	(5,000,000)	
39	10	GF/GP Lapse savings	(13,221,000)	(13,221,000)	
40	33	Reduce Foster care respite program	(6,000,000)	(6,000,000)	
41	3	Remove FY 27 unclassified salaries increase	(44,200)	(35,900)	
42	86	Eliminate MiSACWIS line-item	(22,486,300)	(8,004,700)	
43	12	Assumed work project utilization for GF/GP costs	(9,000,000)	(9,000,000)	



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Savings/Reductions - Continued					
Subcommittee Savings - Ongoing Con't					
44	52	Reduce reimburse for private psych treatment	(\$5,000,000)	(\$5,000,000)	
45	20b	Partial shift ongoing to 1-time: property mgmt.	(8,718,700)	(5,500,000)	
46	37	Shift ongoing to 1-time: local office staff - travel	(8,327,400)	(2,752,000)	
47	40	Shift ongoing to 1-time: MC3	(5,789,000)	(3,000,000)	
48	34	Shift ongoing to 1-time: Michigan. agricult surp. sys.	(12,045,000)	(12,045,000)	
49	35	Shift ongoing to 1-time: Emerg. serv. loc. office	(7,553,900)	(2,904,900)	
50	23	Reversal of CSB foster care GF/GP fin. shift	0	(11,882,700)	
51	9	TANF for GF/GP fund shift	0	(12,250,600)	
52		Subcommittee Init. - Savings/Reductions*	(608,869,400)	(522,318,900)	
*Includes totals of stipulations					
Initiatives/Increases					
Subcommittee Recommendation - Ongoing					
53	85	Medicaid freestanding birth centers/ lic. midwives	\$1,647,800	\$565,200	
54		Subcommittee Initiatives Subtotal*			
Exec. Rec. Initiatives - Ongoing					
55	79	Ground emerg. trans. - local match	31,000,000	0	
56		Ongoing Initiatives + Savings - Total*	499,967,600	149,200,100	
*Includes totals of stipulations					
Subcommittee Initiatives - One-Time					
57	90	Opioid response activities - above Exec. Rec.	12,750,000	0	
58	91	Add'l: Comp. comm. health infrastructure grants	4,000,000	4,000,000	
59	91	Health and human services grants	12,000,000	12,000,000	
60	91	Housing and community development	3,000,000	3,000,000	
61	91	Home help caregiver council: Addt'l funding	2,000,000	1,000,000	
62	91	Partial shift ongoing to 1-time: property mgmt.	8,718,700	5,500,000	
63	91	Shift ongoing to 1-time: local office staff - travel	8,327,400	2,752,000	
64	91	Shift ongoing to 1-time: MC3	5,789,000	3,000,000	
65	91	Shift ongoing to 1-time: Michigan. agricult surp. sys.	12,045,000	12,045,000	
66	91	Shift ongoing to 1-time: Emerg. serv. loc. office	7,553,900	2,904,900	
67	91	Subcommittee One-Time Initiatives Subtotal*	111,434,000	81,451,900	
Exec. Rec. Initiatives - One-Time					
68	90	Opioid response activities	62,750,000	0	
69	89	Nursing home facility staffing improvements	10,000,000	0	
70		Total One-Time Initiatives*	244,506,900	104,953,100	
*Includes totals of one-time stipulations					



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71		TOTAL CHANGES TO Exec. Rec. Baseline	\$135,605,100	(\$268,165,700)
72		TOTAL CHANGES TO YTD 2025-26	\$10,520,519,100	\$206,993,700
73		PROPOSED SENATE SUBCOMMITTEE BUDGET	\$40,546,087,300	\$7,339,241,200
74		Senate Target	---	\$7,339,241,200
75		Amount above/(below) target	---	\$0

Boilerplate Highlights

- Prohibits the department from releasing funds associated with direct care worker wage increases until contractors, subcontractors, or providers submit documentation that wages were increased with funds from the previous fiscal year. (Sec. 291)
- Directs the department to seek various property management efficiencies while prohibiting the department from reducing the total number and geographic disbursement of local offices. (Sec. 302)
- Directs the department to use generic or biosimilar pharmaceuticals for drugs on the state’s preferred drug list. (Sec. 1621)
- Directs the department to incorporate any applicable aspects of “Most Favored Nation” pharmaceutical drug pricing. (Sec. 1622)
- Requires the department to evaluate pharmacy encounter data for the first two quarters of the fiscal year and provide a report to standard report recipients. (Sec. 1792)
- Requires the department to follow CMS guidance as it pertains to medical loss ratio, capitation rate development, community reinvestment, and other financial reporting. (Sec. 1793)
- Directs the department to utilize Medicaid funding for perinatal and gynecological services delivered in freestanding birth centers and for care provided by licensed midwives. (Sec. 1809)

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