



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

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MDHHS FY27 budget expands behavioral health capacity, provides critical resources to implement federally mandated changes to Medicaid and SNAP, connects families to services and resources

LANSING, Mich. – The Michigan Department of Health and Human Services' (MDHHS) FY 2027 budget of more than \$30.7 billion continues the critical work of protecting the health, safety and prosperity of Michigan families.

“This balanced, bipartisan budget helps ensure MDHHS can continue delivering critical services and supports that Michigan’s residents rely on every day,” said Amy Epkey, MDHHS acting director. “We remain committed to keeping kids safe and families together, reducing gun violence, ensuring access to SNAP, protecting Medicaid and continuing our progress in building access to behavioral health care, while maintaining a fiscally responsible budget. We appreciate the work of Governor Whitmer and the legislature in making these crucial investments.”

The department’s FY27 budget investments include:

- The FY27 budget builds on last year’s budget, which protected \$2.7 billion of core Medicaid services statewide. This fiscal year’s budget includes \$168.6 million to prepare the state to meet new federal requirements that make it harder to access food and health care, and continues to fund initiatives to protect access to health care and ensure the sustainability of Medicaid including:
 - \$94.3 million in increased Supplemental Nutrition Assistance Program (SNAP) administrative cost-sharing from 50% to 75%.
 - \$54.3 million to support changes to Medicaid and SNAP to comply with federal H.R. 1 requirements.
 - \$20 million in FY26 supplemental funding for grants to community-based organizations to help individuals secure eligibility for Medicaid and SNAP.
- \$33.8 million to begin operating the new Southeast Michigan State Psychiatric Hospital, bringing an estimated 72 new beds (35 adult beds and 37 pediatric beds) online during the first phase of expanded operations this fiscal year.

- \$750,000 to help families navigate services and support available to individuals with autism and other intellectual and developmental disabilities. These services connect thousands of children and families to diagnostic and intervention services and vital safety net programs.
- \$2.5 million to implement recommendations made by the Gun Violence Prevention Task Force last year, including waiting periods and background checks for all firearm purchases, banning untraceable “ghost guns,” strengthening school and community safety, stronger safe storage policies and prohibiting assault weapons.
- \$4 million to establish and support the Home Help Caregiver Council. The council will directly support home help services by strengthening caregiver skills, achieving quality services for participants and improving individual home help caregiver retention through improved job satisfaction leading to better service and health outcomes for more than 60,000 residents receiving Medicaid-funded home help services.
- \$351.8 million in FY26 supplemental funding to support minimum wage increases and paid sick leave for direct care workers while maintaining the existing \$3.40 per hour wage add-on for services provided to Medicaid recipients.
- \$70.5 million for substance use disorder prevention, harm reduction, treatment and recovery services through the Opioid Healing and Recovery Fund. These investments are part of a statewide strategy designed to save lives and reduce overdose deaths.
- \$31.5 million to increase reimbursement for ground emergency medical transportation services provided by public entities.
- \$13.5 million for targeted Medicaid enhancements for nursing home capital reimbursement rates, portable x-ray services and private duty nursing services.

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