

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1196**

A bill to amend 1974 PA 258, entitled  
"Mental health code,"  
by amending sections 204, 212, 224, and 232a (MCL 330.1204,  
330.1212, 330.1224, and 330.1232a), sections 204, 212, and 224 as  
amended and section 232a as added by 1995 PA 290; and to repeal  
acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 204. (1) ~~A~~**EXCEPT AS PROVIDED IN SUBSECTION (4), A**  
2 community mental health services program established under this  
3 chapter shall be a county community mental health agency, a  
4 community mental health organization, or a community mental health  
5 authority. A county community mental health agency is an official  
6 county agency. A community mental health organization or a  
7 community mental health authority is a public governmental entity  
8 separate from the county or counties that establish it.

Senate Bill No. 1196 (H-2) as amended November 29, 2012

1 (2) Procedures and policies for a community mental health  
2 organization or a community mental health authority shall be set by  
3 the board of the community mental health services program.

4 Procedures and policies for a county community mental health agency  
5 shall be set by the board of commissioners or boards of  
6 commissioners as prescribed in this subsection. If a county  
7 community mental health services agency represents a single county,  
8 the county's board of commissioners shall determine the procedures  
9 and policies that shall be applicable to the agency. If a county  
10 community mental health services agency represents 2 or more  
11 counties, the boards of commissioners of the represented counties  
12 shall by agreement determine the procedures and policies that shall  
13 be applicable to the agency. In a charter county with an elected  
14 county executive, the county executive shall determine the  
15 procedures and policies that shall be applicable to the agency.

16 (3) The procedures and policies for multicounty community  
17 mental health services programs shall not take effect until at  
18 least 3 public hearings on the proposed procedures and policies  
19 have been held.

20 (4) BEGINNING [OCTOBER] 1, 2013, IN ORDER TO QUALIFY FOR STATE  
21 SUPPORT UNDER SECTION 202, IF A SINGLE COUNTY THAT HAS SITUATED  
22 TOTALLY WITHIN THAT COUNTY A CITY HAVING A POPULATION OF AT LEAST  
23 500,000 ESTABLISHES OR ADMINISTERS A COMMUNITY MENTAL HEALTH  
24 SERVICES PROGRAM, THAT COMMUNITY MENTAL HEALTH SERVICES PROGRAM  
25 MUST BE ESTABLISHED AND ADMINISTERED AS A COMMUNITY MENTAL HEALTH  
26 AUTHORITY AS SPECIFIED UNDER SECTION 205. ANY OPERATIONAL CHANGES  
27 MADE BY THE COMMUNITY MENTAL HEALTH AGENCY THAT WILL REQUIRE A

1 FINANCIAL COMMITMENT FROM THE COMMUNITY MENTAL HEALTH AUTHORITY  
2 ESTABLISHED AS A RESULT OF THE PROVISIONS OF THIS SUBSECTION SHALL  
3 BE MADE IN CONSULTATION WITH THE DEPARTMENT DIRECTOR.

4 Sec. 212. (1) Upon electing to establish a community mental  
5 health services program, the county or combination of counties  
6 shall establish a 12-member community mental health services board,  
7 except as provided in section 214, 219, or 222(2) or (5). ~~Each~~  
8 EXCEPT AS PROVIDED IN SUBSECTION (2), EACH board of commissioners  
9 shall by a majority vote appoint the board members from its county.  
10 Recommended appointments to the board shall be made annually  
11 following the organizational meeting of the board of commissioners.

12 (2) WHEN A SINGLE COUNTY ESTABLISHES A COMMUNITY MENTAL HEALTH  
13 SERVICES PROGRAM AND TOTALLY SITUATED WITHIN THAT COUNTY IS A CITY  
14 HAVING A POPULATION OF AT LEAST 500,000, THE 12 BOARD MEMBERS SHALL  
15 BE APPOINTED TO THE BOARD AS FOLLOWS:

16 (A) SIX BOARD MEMBERS APPOINTED BY A MAJORITY VOTE OF THE  
17 COUNTY BOARD OF COMMISSIONERS FROM A LIST OF NOMINEES SUBMITTED BY  
18 THE COUNTY EXECUTIVE OF THAT COUNTY. TWO BOARD MEMBERS APPOINTED  
19 UNDER THIS SUBDIVISION MUST BE PRIMARY CONSUMERS OR FAMILY MEMBERS  
20 OF PRIMARY CONSUMERS. UPON NOTIFICATION THAT THE LIST PROVIDED UNDER  
21 THIS SUBDIVISION DOES NOT MEET WITH THE COUNTY BOARD OF  
22 COMMISSIONERS' APPROVAL, THE COUNTY EXECUTIVE OF THAT COUNTY SHALL  
23 SUBMIT ANOTHER LIST TO THE COUNTY BOARD OF COMMISSIONERS WITH 6  
24 DIFFERENT NOMINEES.

25 (B) SIX BOARD MEMBERS APPOINTED BY THE COUNTY BOARD OF  
26 COMMISSIONERS FROM A LIST OF NOMINEES SUBMITTED BY THE MAYOR OF THE  
27 CITY HAVING A POPULATION OF AT LEAST 500,000 THAT IS TOTALLY

1 SITUATED WITHIN THAT COUNTY. TWO BOARD MEMBERS APPOINTED UNDER THIS  
2 SUBDIVISION MUST BE PRIMARY CONSUMERS OR FAMILY MEMBERS OF PRIMARY  
3 CONSUMERS. UPON NOTIFICATION THAT THE LIST PROVIDED UNDER THIS  
4 SUBDIVISION DOES NOT MEET WITH THE COUNTY BOARD OF COMMISSIONERS'  
5 APPROVAL, THE MAYOR OF THE CITY HAVING A POPULATION OF AT LEAST  
6 500,000 THAT IS TOTALLY SITUATED WITHIN THAT COUNTY SHALL SUBMIT  
7 ANOTHER LIST TO THE COUNTY BOARD OF COMMISSIONERS WITH 6 DIFFERENT  
8 NOMINEES.

9 (3) WHEN A SINGLE COUNTY ESTABLISHES A COMMUNITY MENTAL HEALTH  
10 SERVICES PROGRAM AND TOTALLY SITUATED WITHIN THAT COUNTY IS A CITY  
11 HAVING A POPULATION OF AT LEAST 500,000, THE 12 BOARD MEMBERS SHALL  
12 BE APPOINTED TO THE BOARD AS THE APPOINTMENTS OF CURRENT BOARD  
13 MEMBERS EXPIRE.

14 (4) WHEN A VACANCY OCCURS ON A BOARD THAT HAS MEMBERS  
15 APPOINTED UNDER SUBSECTION (2), THE VACANCY SHALL BE FILLED IN THE  
16 SAME MANNER AS THE BOARD MEMBER BEING REPLACED WAS APPOINTED.

17 (5) A BOARD MEMBER APPOINTED UNDER SUBSECTION (2) SHALL NOT BE  
18 AN EMPLOYEE OR CONTRACTOR OF ANY OF THE FOLLOWING:

19 (A) THE CITY OR COUNTY DESCRIBED IN SUBSECTION (2).

20 (B) THE STATE.

21 (C) THE FEDERAL GOVERNMENT.

22 (D) A COMMUNITY MENTAL HEALTH AUTHORITY.

23 Sec. 224. The term of office of a board member shall be 3  
24 years from April 1 of the year of appointment, except that of the  
25 members first appointed, 4 shall be appointed for a term of 1 year,  
26 4 for 2 years, and 4 for 3 years. A vacancy shall be filled for an  
27 unexpired term in the same manner as an original appointment. A

1 board member may be removed from office by the appointing board of  
2 commissioners ~~or, if the board member was appointed by the chief~~  
3 ~~executive officer of a county or a city under section 216, by the~~  
4 ~~chief executive officer who appointed the member~~ for neglect of  
5 official duty or misconduct in office after being given a written  
6 statement of reasons and an opportunity to be heard on the removal.  
7 A board member shall be paid a per diem no larger than the highest  
8 per diem for members of other county advisory boards set by the  
9 county board of commissioners and be reimbursed for necessary  
10 travel expenses for each meeting attended. The mileage expense  
11 fixed by the county board of commissioners shall not exceed the  
12 mileage reimbursement as determined by the state officers  
13 compensation commission. A board member shall not receive more than  
14 1 per diem payment per day regardless of the number of meetings  
15 scheduled by the board for that day.

16 Sec. 232a. (1) Subject to section 114a, the department shall  
17 promulgate rules to establish standards for certification and the  
18 certification review process for community mental health services  
19 programs. The standards shall include but not be limited to all of  
20 the following:

21 (a) Matters of governance, resource management, quality  
22 improvement, service delivery, and safety management.

23 (b) Promotion and protection of recipient rights.

24 (2) After reviewing a community mental health services  
25 program, the department shall notify a program that substantially  
26 complies with the standards established under this section that it  
27 is certified by the department.

1           (3) The department may waive the certification review process  
2 in whole or in part and consider the community mental health  
3 services program to be in substantial compliance with the standards  
4 established under this section if the program has received  
5 accreditation from a national accrediting organization recognized  
6 by the department that includes review of matters described in  
7 subsection (1)(a).

8           (4) If the department certifies a community mental health  
9 services program despite some items of noncompliance with the  
10 standards established under this section, the notice of  
11 certification shall identify the items of noncompliance and the  
12 program shall correct the items of noncompliance. The department  
13 shall require the community mental health board to submit a plan to  
14 correct items of noncompliance before recertification or sooner at  
15 the discretion of the department.

16           (5) Certification is effective for 3 years and is not  
17 transferable. Requests for recertification shall be submitted to  
18 the department at least 6 months before the expiration of  
19 certification. Certification remains in effect after the submission  
20 of a renewal request until the department conducts a review and  
21 makes a redetermination.

22           (6) The department shall conduct an annual review of each  
23 community mental health services program's recipient rights system  
24 to ensure compliance with standards established under subsection  
25 (1)(b). An on-site review shall be conducted once every 3 years.

26           (7) The community mental health services program shall  
27 promptly notify the department of any changes that may affect

1 continued certification.

2 (8) The department may deny certification if the community  
3 mental health services program cannot demonstrate substantial  
4 compliance with the standards established under this section.

5 (9) In lieu of denying certification, the department may issue  
6 a provisional certification for a period of up to 6 months upon  
7 receiving a plan of correction submitted by the community mental  
8 health services board. The department shall provide a copy of the  
9 review and the approved plan of correction to the board of  
10 commissioners of each county that established the county community  
11 mental health agency or created the community mental health  
12 organization or community mental health authority. A provisional  
13 certification may be extended, but the entire provisional period  
14 shall not exceed 1 year. The department shall conduct an on-site  
15 review to determine the community mental health services program's  
16 compliance with the plan of correction at least 30 days before the  
17 expiration of the provisional certification. A provisional  
18 certification automatically expires either on its original  
19 expiration date or the expiration date of the extension granted.

20 (10) If a community mental health services program is denied  
21 certification, fails to comply with an approved plan of correction  
22 before the expiration of a provisional certification, or fails to  
23 comply substantially with the standards established under this  
24 section, the department shall notify the community mental health  
25 services board and the board of commissioners of each county that  
26 established the agency or created the organization or authority of  
27 the department's intention to suspend, deny, or revoke

1 certification. The notice shall be sent by certified mail and shall  
2 set forth the particular reasons for the proposed action and offer  
3 an opportunity for a hearing with the director of the department's  
4 division that manages contracts with community mental health  
5 services programs. If it desires a hearing, the community mental  
6 health services board shall request it in writing within 60 days  
7 after receipt of the notice. The department shall hold the hearing  
8 not less than 30 days or more than 60 days from the date it  
9 receives the request for a hearing.

10 (11) The director of the department's division that manages  
11 contracts with community mental health services programs shall make  
12 a decision regarding suspension, denial, or revocation of  
13 certification based on evidence presented at the hearing or on the  
14 default of the community mental health services board. A copy of  
15 the decision shall be sent by certified mail within 45 days after  
16 the close of the hearing to the community mental health services  
17 board and to the board of commissioners of each county that  
18 established the agency or created the organization or authority.

19 (12) A community mental health services board may appeal a  
20 decision made under subsection (11) as provided in chapter 4 of the  
21 administrative procedures act of 1969, ~~Act No. 306 of the Public~~  
22 ~~Acts of 1969, being sections 24.271 to 24.287 of the Michigan~~  
23 ~~Compiled Laws.1969 PA 306, MCL 24.271 TO 24.287.~~

24 (13) During the period of certification, the department may  
25 conduct an unannounced review of a certified community mental  
26 health services program. The department shall conduct an  
27 unannounced review of a certified community mental health services



1 program in response to information that raises questions regarding  
2 recipient health or safety. If the department finds based on its  
3 review that the community mental health services program does not  
4 substantially comply with the standards established under this  
5 section, the department shall provide notice and a hearing under  
6 subsections (10) and (11).

7 (14) If a community mental health services program fails to  
8 obtain or retain certification as a result of the department's  
9 review, has exhausted the time period for provisional  
10 certification, is not engaged in the process of appeal or appeal  
11 has been unsuccessful, and if no agreement has been reached by the  
12 department with the community mental health services program to  
13 assure certification compliance within a specified time period, the  
14 department shall within 90 days do both of the following:

15 (a) Cancel the state funding commitment to the community  
16 mental health services board.

17 (b) Utilize the funds previously provided to the community  
18 mental health services board to do 1 or more of the following:

19 (i) Secure services from other providers of mental health  
20 services that the department has determined can operate in  
21 substantial compliance with the standards established under this  
22 section and continue the delivery of services within the county or  
23 counties.

24 (ii) Provide the service.

25 (15) If state funding is canceled under subsection (14) and  
26 the community mental health services program is an authority  
27 created under section 205, the county or counties that created the

1 authority are financially liable only for the local match formula  
2 established for the authority under chapter 3. If state funding is  
3 canceled under subsection (14) and the community mental health  
4 services program is a county community mental health agency or a  
5 community mental health organization, the county or counties that  
6 established the agency are financially liable for local match for  
7 all services contractually or directly provided by the department  
8 to residents of the county or counties in accordance with chapter  
9 3.

10 (16) The department shall not utilize the certification  
11 process under this section to require a community mental health  
12 services program to become a community mental health authority.  
13 ~~Community~~ **EXCEPT AS PROVIDED IN SECTION 204(4), COMMUNITY** mental  
14 health authority status is voluntary as provided in section 205.

15 ~~—— (17) Subject to section 114a, the department shall submit~~  
16 ~~proposed rules for certification to public hearing within 6 months~~  
17 ~~after the effective date of the amendatory act that added this~~  
18 ~~section.~~

19 Enacting section 1. Section 216 of the mental health code,  
20 1974 PA 258, MCL 330.1216, is repealed.