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CMH RESIDENCY TRANSFERS

Senate Bill 659 as introduced
First Analysis (10-12-93)

Sponsor: Senator Joel Gougeon
Senate Committee: Mental Health,
Human Resources, and Senior Citizens
House Committee: Mental Health

THE APPARENT PROBLEM:

Many individuals with developmental disabilities spend most of their lives in adult foster care homes and other facilities operated by the Department of Mental Health (DMH). For an individual in such a facility, 90 percent of the cost of services is paid for by the state, and 10 percent is paid for by the individual's "home" county, or "county of residence." The department bills the county of residence for the 10 percent local match. In many cases, however, an individual lives in a facility in a county other than his or her county of residence, which is defined under the Mental Health Code to mean the county where the individual maintained a primary residence at the time he or she entered the department's facility. In most counties, "full management" community mental health (CMH) boards have assumed the department's responsibility for the placement of developmentally disabled individuals in DMH facilities in their communities. These boards respond in different ways to the problem of providing care to out-of-county residents. In some counties, an agreement may be drawn up between the county providing the services and the county of residence to assure that the former receives the home county's 10 percent local match. Other counties absorb the cost themselves. For others, neither option is economically feasible. The first approach has resulted in a proliferation of contracts -- and corresponding administrative expenses -- for some community mental health boards. For example, if Oakland County provides services for one hundred clients whose county of residency is Lapeer County and Lapeer County provides services for one hundred clients whose county of residency is Oakland County, then two hundred contracts must be negotiated. The latter approach results in a situation where out-of-county residents receive no care. In order to eliminate these problems, it is proposed that the Mental Health Code be amended to specify that a county be allowed to collect from the state 100 percent of the costs involved in

providing mental health services to out-of-county residents.

THE CONTENT OF THE BILL:

Currently, the Mental Health Code requires that counties pay 10 percent of the cost their residents incur at state facilities; the state pays the remainder, and the Department of Mental Health (DMH) is responsible for calculating and collecting the debt. Senate Bill 659 would amend the code to delete this requirement for residents who transfer from one county to another, provided that both county programs, the individual, and the department agreed to the transfer. Under the bill, the department would be required to transfer 100 percent of the cost of agreed upon services for such residents. The transfer would be made from the original county of residence to the new county of residence so that county matching funds would not be required for services in the new county.

MCL 330.1001

FISCAL IMPLICATIONS:

According to the Department of Mental Health, the bill would have no impact on state funds. Under the bill, the department would compensate a county for 100 percent, rather than 90 percent, of the cost of providing care for an individual who had transferred from a mental health facility in another county. However, this cost would be offset by a 10 percent reduction in payments to the individual's county of residence. (10-11-93)

According to Senate Fiscal Agency estimates, the bill would result in a loss of revenue to the state of approximately \$1.17 million, since the state would no longer receive matching funds from a county for an individual who transferred to a new county of

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residence. The state would, therefore, be responsible for 100 percent of the cost of services provided that individual. (10-11-93)

ARGUMENTS:

For:

The bill would compensate counties that provided mental health services to an individuals who had transferred there from their county of residence. According to Department of Mental Health estimates, approximately 1,500 of the 3,300 individuals who currently receive residential care in mental health facilities reside in facilities located in counties other than the counties where they lived at the time they entered the facility. In some of these cases, individuals are placed in another county because no facilities are available in the "home" county. In other cases, individual must move because their families chose to move. In many of these situations, these individuals have spent most of their lives in these facilities, and have few, if any, ties to their "home" counties. The bill would, in effect, allow the funds provided by the state to "follow" an individual who received care in mental health facilities, regardless of where that individual received service, thus eliminating the costs involved in transferring funds from one county to another. More important, the bill would allow individuals to be integrated into the services offered by whichever county they those to reside in.

Against:

Senate Bill 659 leaves many problems unsolved. The bill would require that the county that provided care for an individual with developmental disabilities be compensated by the state for its costs. However, the bill requires that such a transfer could only be made if both the individual's "home" county, the county that provided the care and the Department of Mental Health agreed to the transfer. Mental health advocates have expressed concern that some counties -- unwilling to assume the financial responsibility for these individuals -- would not agree to having an individual transferred to their county.

Response:

It is unlikely that a county mental health board would refuse to accept responsibility for a patient who had been under its care. First, such a patient would undoubtedly have relatives living in the area who would be affected by any change in his or her circumstances. Secondly, a facility's primary concern would be that its patient receive a

continuum of care, uninterrupted by traumatic changes.

Against:

Senate Bill 659 does not go far enough. The provisions of the bill only apply to those individuals who have moved to another county and who are already receiving care from a mental health facility in that county. The bill does not address the problem of an individual who must move to another county -- which often happens when an individual's family changes residence -- but who cannot be assured that services will be provided in that county. Mental health advocates propose that the Mental Health Code be revised to provide, instead, that a county be required to accept an individual who wishes to transfer to one of its mental health facilities. Such a provision would provide those who have developmental disabilities with a guarantee that they would receive care and treatment regardless of where they lived.

POSITIONS:

The Michigan Association of Community Mental Health Boards supports the bill. (10-7-93)

The Department of Mental Health supports the bill. (10-8-93)

The Arc Michigan (an advocacy organization on mental retardation and other developmental disabilities) supports the concept that the cost of services "follow" an individual who transfers from one county to another. The organization is concerned that the bill does not specifically grant individuals the right to transfer, but anticipates that a proposed revision of the Mental Health Code will address this issue. (10-7-93)

Michigan Protection and Advocacy Service has no position on the bill. (10-7-93)