Act No. 588
Public Acts of 1996
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STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996

Introduced by Senator Gougeon

ENROLLED SENATE BILL No. 1048

AN ACT to amend sections 152, 205, 219, 226, 302, 409, 473, 482, 483, 485a, 498e, 498h, 712, 719, 742, and 748 of Act No. 258 of the Public Acts of 1974, entitled as amended "An act to codify, revise, consolidate, and classify the laws relating to mental health; to prescribe the powers and duties of certain state and local agencies and officials and certain private agencies and individuals; to regulate certain agencies and facilities providing mental health services; to provide for certain charges and fees; to establish civil admission procedures for individuals with mental illness or developmental disability; to establish guardianship procedures for individuals with developmental disability; to establish procedures regarding individuals with mental illness or developmental disability who are in the criminal justice system; to provide for penalties and remedies; and to repeal acts and parts of acts," sections 152, 219, 226, 302, 473, 482, 483, 485a, 498e, 498h, 712, 742, and 748 as amended and sections 205, 409, and 719 as added by Act No. 290 of the Public Acts of 1995, being sections 330.1152, 330.1205, 330.1219, 330.1226, 330.1302, 330.1409, 330.1473, 330.1482, 330.1483, 330.1485a, 330.1498e, 330.1498h, 330.1712, 330.1719, 330.1742, and 330.1748 of the Michigan Compiled Laws; to add sections 453a, 469a, 472a, 474, 474a, 475, and 475a; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Section 1. Sections 152, 205, 219, 226, 302, 409, 473, 482, 483, 485a, 498e, 498h, 712, 719, 742, and 748 of Act No. 258 of the Public Acts of 1974, sections 152, 219, 226, 302, 473, 482, 483, 485a, 498e, 498h, 712, 742, and 748 as amended and sections 205, 409, and 719 as added by Act No. 290 of the Public Acts of 1995, being sections 330.1152, 330.1205, 330.1219, 330.1226, 330.1302, 330.1409, 330.1473, 330.1482, 330.1483, 330.1485a, 330.1498e, 330.1498h, 330.1712, 330.1719, 330.1742, and 330.1748 of the Michigan Compiled Laws, are amended and sections 453a, 469a, 472a, 474, 474a, 475, and 475a are added to read as follows:

Sec. 152. The director, after notice to the operator or owner of an adult foster care facility may suspend, revoke, or cancel a contract, agreement, or arrangement entered into under section 116(3)(e) if he or she finds that there has been a substantial failure to comply with the requirements as set forth in the contract, agreement, or arrangement. The notice shall be by certified mail or personal service, setting forth the particular reasons for the proposed action and fixing a date, not less than 30 days from the date of service, on which the operator or owner shall be afforded a hearing before the director or his or her designee. The contract, agreement, or arrangement shall not be suspended, revoked, or canceled until the director notifies the operator or owner in writing of his or her findings of fact and conclusions following such hearing.

Sec. 205. (1) A county community mental health agency or a community mental health organization that is certified by the department under section 232a may become a community mental health authority as provided in this section through an enabling resolution adopted by the board of commissioners of each creating county after at least 3 public hearings held in accordance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to

15.275 of the Michigan Compiled Laws. The resolution is considered adopted if it is approved by a majority of the commissioners elected and serving in each county creating the authority. The enabling resolution is not effective until it has been filed with the secretary of state and with the county clerk of each county creating the authority. If any provision of the enabling resolution conflicts with this act, this act supersedes the conflicting provision.

(2) All of the following shall be stated in the enabling resolution:

(a) The purpose and the power to be exercised by the community mental health authority shall be to comply with and carry out the provisions of this act.

(b) The duration of the existence of the community mental health authority and the method by which the community mental health authority may be dissolved or terminated by itself or by the county board or boards of commissioners. These provisions shall comply with section 220.

(c) The manner in which any net financial assets originally made available to the authority by the participating county or counties will be returned or distributed if the authority is dissolved or terminated. All other remaining assets net of liabilities shall be transferred to the community mental health services program or programs that replace the authority.

(d) The liability of the community mental health authority for costs associated with real or personal property purchased or leased by the county for use by the community mental health services program to the extent necessary to discharge the financial liability if desired by the county or counties.

(e) The manner of employing, compensating, transferring, or discharging necessary personnel subject to the provisions of applicable civil service and merit systems, and the following restrictions:

(*i*) Employees of a community mental health authority are public employees. A community mental health authority and its employees are subject to Act No. 336 of the Public Acts of 1947, being sections 423.201 to 423.217 of the Michigan Compiled Laws.

(*ii*) Upon the creation of a community mental health authority, the employees of the former community mental health services program shall be transferred to the new authority and appointed as employees subject to all rights and benefits for 1 year. Such employees of the new community mental health authority shall not be placed in a worse position by reason of the transfer for a period of 1 year with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other benefit that the employee enjoyed as an employee of the former community mental health services program. Employees who are transferred shall not by reason of the transfer have their accrued pension benefits or credits diminished.

(*iii*) If the former county community mental health agency or community mental health organization was the designated employer or participated in the development of a collective bargaining agreement, the newly established community mental health authority shall assume and be bound by the existing collective bargaining agreement. The formation of a community mental health authority shall not adversely affect any existing rights and obligations contained in the existing collective bargaining agreement. For purposes of this provision, participation in the development of a collective bargaining agreement means that a representative of the community mental health agency or organization actively participated in bargaining sessions with the employer representative and union or was consulted with during the bargaining process.

(f) Any other matter consistent with this act that is necessary to assure operation of the community mental health authority as agreed upon by the creating county or counties.

(3) If a county community mental health agency or a community mental health organization becomes a community mental health authority pursuant to this section, both of the following apply:

(a) All assets, debts, and obligations of the county community mental health agency or community mental health organization, including but not limited to equipment, furnishings, supplies, cash, and other personal property, shall be transferred to the community mental health authority.

(b) All the privileges and immunities from liability and exemptions from laws, ordinances, and rules that are applicable to county community mental health agencies or community mental health organizations and their board members, officers, and administrators, and county elected officials and employees of county government are retained by the authority and the board members, officers, agents, and employees of an authority created under this section.

(4) In addition to other powers of a community mental health services program as set forth in this act, a community mental health authority has all of the following powers, whether or not they are specified in the enabling resolution:

(a) To fix and collect charges, rates, rents, fees, or other charges and to collect interest.

(b) To make purchases and contracts.

(c) To transfer, divide, or distribute assets, liabilities, or contingent liabilities, unless the community mental health authority is a single-county community mental health services program and the county has notified the department of its intention to terminate participation in the community mental health services program. During the interim period between notification by a county under section 220 of its intent to terminate participation in a multi-county community mental health services program and the official termination of that participation, a community mental health authority's

power under this subdivision is subject to any agreement between the community mental health authority and the county that is terminating participation, if that agreement is consistent with the enabling resolution that created the authority.

(d) To accept gifts, grants, or bequests and determine the manner in which those gifts, grants, or bequests may be used consistent with the donor's request.

(e) To acquire, own, operate, maintain, lease, or sell real or personal property. Before taking official action to sell residential property, however, the authority shall do all of the following:

(*i*) Implement a plan for alternative housing arrangements for recipients residing on the property.

(*ii*) Provide the recipients residing on the property or their legal guardians, if any, an opportunity to offer their comments and concerns regarding the sale and planned alternatives.

(*iii*) Respond to those comments and concerns in writing.

(f) To do the following in its own name:

(*i*) Enter into contracts and agreements.

(*ii*) Employ staff.

(*iii*) Acquire, construct, manage, maintain, or operate buildings or improvements.

(*iv*) Subject to subdivision (e), acquire, own, operate, maintain, lease, or dispose of real or personal property, unless the community mental health authority is a single-county mental health services program and the county has notified the department of its intention to terminate participation in the community mental health services program. During the interim period between notification by a county under section 220 of its intent to terminate participation in a multi-county community mental health services program and the official termination of that participation, a community mental health authority's power under this subdivision is subject to any agreement between the community mental health authority and the county that is terminating participation, if that agreement is consistent with the enabling resolution that created the authority.

(*v*) Incur debts, liabilities, or obligations that do not constitute the debts, liabilities, or obligations of the creating county or counties.

(*vi*) Commence litigation and defend itself in litigation.

(g) To invest funds in accordance with statutes regarding investments.

(h) To set up reserve accounts, utilizing state funds in the same proportion that state funds relate to all revenue sources, to cover vested employee benefits including but not limited to accrued vacation, health benefits, the employee payout portion of accrued sick leave, if any, and worker's compensation. In addition, an authority may set up reserve accounts for depreciation of capital assets and for expected future expenditures for an organizational retirement plan.

(i) To develop a charge schedule for services provided to the public and utilize the charge schedule for first and third-party payers. The charge schedule may include charges that are higher than costs for some service units by spreading nonrevenue service unit costs to revenue-producing service unit costs with total charges not exceeding total costs. All revenue over cost generated in this manner shall be utilized to provide services to priority populations.

(5) In addition to other duties and responsibilities of a community mental health services program as set forth in this act, a community mental health authority shall do all of the following:

(a) Provide to each county creating the authority and to the department a copy of an annual independent audit performed by a certified public accountant in accordance with governmental auditing standards issued by the comptroller of the United States.

(b) Be responsible for all executive administration, personnel administration, finance, accounting, and management information system functions. The authority may discharge this responsibility through direct staff or by contracting for services.

(6) A county that has created a community mental health authority is not liable for any intentional, negligent, or grossly negligent act or omission, for any financial affairs, or for any obligation of a community mental health authority, its board, employees, representatives, or agents. This subsection applies only to county government.

(7) A community mental health authority shall not levy any type of tax or issue any type of bond in its own name or financially obligate any unit of government other than itself.

(8) An employee of a community mental health authority is not a county employee. The community mental health authority is the employer with regard to all laws pertaining to employee and employer rights, benefits, and responsibilities.

(9) As a public governmental body, a community mental health authority is subject to the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws, and the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws,

except for those documents produced as a part of the peer review process required in section 143a and made confidential by section 748(9).

Sec. 219. (1) A county having an established community mental health services program may elect to merge with an established community mental health services program in an adjoining county. A merger shall be approved by a majority vote of the board of commissioners of each participating county, and becomes effective on the first day of January, April, July, or October immediately following the date of final approval. The merger and creation of a community mental health authority shall be in accordance with this section and section 205.

(2) The board of commissioners of each participating county may elect by a majority vote to appoint 1 or more of the community mental health services board members to the new board, even if that action would result in a size or composition of the board that is different than that provided for in sections 212, 214, and 222.

(3) If the board of commissioners of 1 or more participating counties does not agree to permit appointment of members to the new board in the manner provided in subsection (2), the new board shall be appointed in the manner provided in sections 212, 214, and 222.

(4) A new board that is different in size or composition than that provided for in section 212, 214, or 222 shall be brought into compliance with those sections not later than 3 years after the date of merger.

Sec. 226. (1) The board of a community mental health services program shall do all of the following:

(a) Annually conduct a needs assessment to determine the mental health needs of the residents of the county or counties it represents and identify public and nonpublic services necessary to meet those needs. Information and data concerning the mental health needs of individuals with developmental disability, serious mental illness, and serious emotional disturbance shall be reported to the department in accordance with procedures, and at a time, established by the department, along with plans to meet identified needs. It is the responsibility of the community mental health services program to involve the public and private providers of mental health services located in the county or counties served by the community mental health program in this assessment and service identification process. The needs assessment shall include information gathered from all appropriate sources, including community mental health waiting list data and school districts providing special education services.

(b) Annually review and submit to the department a needs assessment report, annual plan, and request for new funds for the community mental health services program. The standard format and documentation of the needs assessment, annual plan, and request for new funds shall be specified by the department.

(c) In the case of a county community mental health agency, obtain approval of its needs assessment, annual plan and budget, and request for new funds from the board of commissioners of each participating county prior to submission of the plan to the department. In the case of a community mental health organization, provide a copy of its needs assessment, annual plan, request for new funds, and any other document specified in accordance with the terms and conditions of the organization's inter-local agreement to the board of commissioners of each county creating the organization. In the case of a community mental health authority, provide a copy of its needs assessment, annual plan, and request for new funds to the board of commissioners of each county creating the authority.

(d) Submit the needs assessment, annual plan, and request for new funds to the department by the date specified by the department. The submission constitutes the community mental health services program's official application for new state funds.

(e) Provide and advertise a public hearing on the needs assessment, annual plan, and request for new funds before providing them to the county board of commissioners.

(f) Submit to each board of commissioners for their approval an annual request for county funds to support the program. The request shall be in the form and at the time determined by the board or boards of commissioners.

(g) Annually approve the community mental health services program's operating budget for the year.

(h) Take those actions it considers necessary and appropriate to secure private, federal, and other public funds to help support the community mental health services program.

(i) Approve and authorize all contracts for the provision of services.

(j) Review and evaluate the quality, effectiveness, and efficiency of services being provided by the community mental health services program. The board shall identify specific performance criteria and standards to be used in the review and evaluation. These shall be in writing and available for public inspection upon request.

(k) Subject to subsection (3), appoint an executive director of the community mental health services program who shall meet standards of training and experience established by the department.

(*l*) Establish general policy guidelines within which the executive director shall execute the community mental health services program.

(m) Require the executive director to select a physician, a registered professional nurse with a specialty certification issued under section 17210 of the public health code, Act No. 368 of the Public Acts of 1978, being section 333.17210 of the Michigan Compiled Laws, or a licensed psychologist to advise the executive director on treatment issues.

(2) A community mental health services program may do all of the following:

(a) Establish demonstration projects allowing the executive director to do 1 or both of the following:

(*i*) Issue a voucher to a recipient in accordance with the recipient's plan of services developed by the community mental health services program.

(*ii*) Provide funding for the purpose of establishing revolving loans to assist recipients of public mental health services to acquire or maintain affordable housing. Funding under this subparagraph shall only be provided through an agreement with a nonprofit fiduciary.

(b) Carry forward any surplus of revenue over expenditures under a capitated managed care system. Capitated payments under a managed care system are not subject to cost settlement provisions of section 236.

(c) Until March 29, 1999, carry forward the operating margin up to 5% of the community mental health services program's state share of the operating budget. As used in this subdivision, "operating margin" means the excess of state revenue over state expenditures for a single fiscal year exclusive of capitated payments under a managed care system. In the case of a community mental health authority, this carryforward is in addition to the reserve accounts described in section 205(4)(h).

(d) Pursue, develop, and establish partnerships with private individuals or organizations to provide mental health services.

(3) In the case of a county community mental health agency, the initial appointment by the board of an individual as executive director is effective unless rejected by a 2/3 vote of the county board of commissioners within 15 calendar days.

Sec. 302. (1) Except as otherwise provided in this chapter and in subsection (2), a county is financially liable for 10% of the net cost of any service that is provided by the department, directly or by contract, to a resident of that county.

(2) This section does not apply to the following:

(a) Family support subsidies established under section 156.

(b) A service provided to any of the following:

(*i*) An individual under a criminal sentence to a state prison.

(*ii*) A criminal defendant determined incompetent to stand trial under section 1032.

(*iii*) An individual acquitted of a criminal charge by reason of insanity, during the initial 60-day period of evaluation provided for in section 1050.

Sec. 409. (1) Each community mental health services program shall establish 1 or more preadmission screening units with 24-hour availability to provide assessment and screening services for individuals being considered for admission into hospitals or alternative treatment programs. The community mental health services program shall employ mental health professionals to provide the preadmission screening services or contract with another agency, which shall meet the requirements of this section. Preadmission screening unit staff shall be supervised by a registered professional nurse or other mental health professional possessing at least a master's degree.

(2) Each community mental health services program shall provide the address and telephone number of its preadmission screening unit or units to law enforcement agencies, the department, the court, and hospital emergency rooms.

(3) A preadmission screening unit shall assess individuals who seek authorization for admission into hospitals operated by the department or under contract with the community mental health services program. If the individual is clinically suitable for hospitalization, the preadmission screening unit shall authorize voluntary admission to the hospital.

(4) If the preadmission screening unit of the community mental health services program denies hospitalization, the individual may request a second opinion from the executive director. The executive director shall arrange for an additional evaluation by a psychiatrist, other physician, or licensed psychologist to be performed within 3 days, excluding Sundays and legal holidays, after the executive director receives the request. If the conclusion of the second opinion is different from the conclusion of the preadmission screening unit, the executive director, in conjunction with the medical director, shall make a decision based on all clinical information available. The executive director's decision shall be confirmed in writing to the individual who requested the second opinion, and the confirming document shall include the signatures of the executive director and medical director or verification that the decision was made in conjunction with the medical director. If an individual is assessed and found not to be clinically suitable for hospitalization, the preadmission screening unit shall provide appropriate referral services.

(5) If an individual is assessed and found not to be clinically suitable for hospitalization, the preadmission screening unit shall provide information regarding alternative services and the availability of those services, and make appropriate referrals.

(6) A preadmission screening unit shall assess and examine, or refer to a hospital for examination, an individual who is brought to the unit by a peace officer or ordered by a court to be examined. If the individual meets the requirements for hospitalization, the preadmission screening unit shall designate the hospital to which the individual shall be admitted. The preadmission screening unit shall consult with the individual and, if the individual agrees, it shall consult with the individual's family member of choice, if available, as to the preferred hospital for admission of the individual.

(7) If the individual chooses a hospital not under contract with a community mental health services program, and the hospital agrees to the admission, the preadmission screening unit shall refer the individual to the hospital that is requested by the individual. Any financial obligation for the services provided by the hospital shall be satisfied from funding sources other than the community mental health services program, the department, or other state or county funding.

Sec. 453a. Upon receipt of documents described in section 452, the court shall order a report assessing the current availability and appropriateness for the individual of alternatives to hospitalization, including alternatives available following an initial period of court-ordered hospitalization. The report shall be prepared by the community mental health services program, a public or private agency, or another individual found suitable by the court. In deciding which individual or agency should be ordered to prepare the report, the court shall give preference to an agency or individual familiar with the treatment resources in the individual's home community.

Sec. 469a. (1) Before ordering a course of treatment for an individual found to be a person requiring treatment, the court shall review a report on alternatives to hospitalization that was prepared under section 453a not more than 15 days before the court issues the order. After reviewing the report, the court shall do all of the following:

(a) Determine whether a treatment program that is an alternative to hospitalization or that follows an initial period of hospitalization is adequate to meet the individual's treatment needs and is sufficient to prevent harm that the individual may inflict upon himself or herself or upon others within the near future.

(b) Determine whether there is an agency or mental health professional available to supervise the individual's alternative treatment program.

(c) Inquire as to the individual's desires regarding alternatives to hospitalization.

(2) If the court determines that there is a treatment program that is an alternative to hospitalization that is adequate to meet the individual's treatment needs and prevent harm that the individual may inflict upon himself or herself or upon others within the near future and that an agency or mental health professional is available to supervise the program, the court shall issue an order for alternative treatment or combined hospitalization and alternative treatment in accordance with section 472a. The order shall state the community mental health services program or, if private arrangements have been made for the reimbursement of mental health treatment services in an alternative setting, the name of the mental health agency or professional that is directed to supervise the individual's alternative treatment program. The order may provide that if an individual refuses to comply with a psychiatrist's order to return to the hospital, a peace officer shall take the individual into protective custody and transport the individual to the hospital selected.

Sec. 472a. (1) Upon the receipt of an application under section 423 or a petition under section 434 and a finding that an individual is a person requiring treatment, the court shall issue an initial order of involuntary mental health treatment, which shall be limited in duration as follows:

(a) An initial order of hospitalization shall not exceed 60 days.

(b) An initial order of alternative treatment shall not exceed 90 days.

(c) An initial order of combined hospitalization and alternative treatment shall not exceed 90 days. The hospitalization portion of the initial order shall not exceed 60 days.

(2) Upon the receipt of a petition under section 473 before the expiration of an initial order under subsection (1) and a finding that the individual continues to be a person requiring treatment, the court shall issue a second order for involuntary mental health treatment, which shall be limited in duration as follows:

(a) A second order of hospitalization shall not exceed 90 days.

(b) A second order of alternative treatment shall not exceed 1 year.

(c) A second order of combined hospitalization and alternative treatment shall not exceed 1 year. The hospitalization portion of the second order shall not exceed 90 days.

(3) Upon the receipt of a petition under section 473 before the expiration of a second order under subsection (2) and a finding that the individual continues to be a person requiring treatment, the court shall issue a continuing order for involuntary mental health treatment, which shall be limited in duration as follows:

(a) A continuing order of hospitalization shall not exceed 1 year.

(b) A continuing order of alternative treatment shall not exceed 1 year.

(c) A continuing order of combined hospitalization and alternative treatment shall not exceed 1 year. The hospitalization portion of a continuing order for combined hospitalization and alternative treatment shall not exceed 90 days.

(4) Upon the receipt of a petition under section 473 before the expiration of a continuing order of involuntary mental health treatment, including a continuing order issued under section 485a or a 1-year order of hospitalization issued under former section 472, and a finding that the individual continues to be a person requiring treatment, the court shall issue another continuing order for involuntary mental health treatment as provided in subsection (3) for a period not to exceed 1 year. The court shall continue to issue consecutive 1-year continuing orders for involuntary mental health treatment under this section until a continuing order expires without a petition having been filed under section 473 or the court finds that the individual is not a person requiring treatment.

(5) If a petition for an order of involuntary mental health treatment is not brought under section 473 at least 14 days before the expiration of an order of involuntary mental health treatment as described in subsections (2) to (4), a person who believes that an individual continues to be a person requiring treatment may file a petition under section 434 for an initial order of involuntary mental health treatment as described in subsection (1).

(6) An individual who on March 28, 1996 was subject to an order of continuing hospitalization for an indefinite period of time shall be brought for hearing no later than 15 days after the date of the second 6-month review that occurs after March 28, 1996. If the court finds at the hearing that the individual continues to be a person requiring treatment, the court shall enter a continuing order of involuntary mental health treatment as described in subsection (3).

Sec. 473. Not less than 14 days before the expiration of an initial, second, or continuing order of involuntary mental health treatment issued under section 472a or section 485a, a hospital director or an agency or mental health professional supervising an individual's alternative treatment shall file a petition for a second or continuing order of involuntary mental health treatment if the hospital director or supervisor believes the individual continues to be a person requiring treatment and that the individual is likely to refuse treatment on a voluntary basis when the order expires. The petition shall contain a statement setting forth the reasons for the hospital director's or supervisor's or their joint determination that the individual continues to be a person requiring treatment, a statement describing the treatment program provided to the individual, the results of that course of treatment, and a clinical estimate as to the time further treatment will be required. The petition shall be accompanied by a clinical certificate executed by a psychiatrist.

Sec. 474. (1) If an individual is subject to a combined order of hospitalization and alternative treatment, the decision to release the individual from the hospital to the alternative treatment program shall be a clinical decision made by a psychiatrist designated by the hospital director in consultation with the director of the alternative program. If the hospital is operated by or under contract with the department or a community mental health services program and private payment arrangements have not been made, the decision shall be made in consultation with the treatment team designated by the executive director of the community mental health services program. Notice of the return of the individual to the alternative treatment program shall be provided to the court with a statement from a psychiatrist explaining the belief that the individual is clinically appropriate for alternative treatment. At least 5 days before releasing an individual from the hospital to the alternative treatment program, the hospital director shall notify the agency or mental health professional that is responsible to supervise the individual's alternative treatment program that the individual is about to be released. The hospital shall share relevant information about the individual with the supervising agency or professional for the purpose of providing continuity of treatment.

(2) If there is a disagreement between the hospital and the executive director regarding the decision to release the individual to the alternative treatment program, either party may appeal in writing to the department director within 24 hours of the decision. The department director shall designate the psychiatrist responsible for clinical affairs in the department, or his or her designee, who shall also be a psychiatrist, to consider the appropriateness of the release and make a decision within 48 hours after receipt of the written appeal. Either party may appeal the decision of the department to the court in writing within 24 hours, excluding Sundays and holidays, after the department's decision.

(3) If private arrangements have been made for the reimbursement of mental health treatment services in an alternative setting and there is a disagreement between the hospital and the director of the alternative treatment program regarding the decision to release the individual, either party may petition the court for a determination of whether the individual should be released from the hospital to the alternative treatment program.

(4) The court shall make a decision within 48 hours, excluding Sundays and holidays, after receipt of a written appeal under subsection (2) or a petition under subsection (3). The court shall consider information provided by both parties and may appoint a psychiatrist to provide an independent clinical examination.

Sec. 474a. During the period of an order of combined hospitalization and alternative treatment, hospitalization may be used as clinically appropriate and when ordered by a psychiatrist, for up to the maximum period for hospitalization specified in the order. Subject to section 475, the decision to hospitalize the individual shall be made by the director of the alternative treatment program, who shall notify the court when the individual is hospitalized. The notice to the court shall include a statement from a psychiatrist explaining the need for hospitalization.

Sec. 475. (1) During the period of an order for alternative treatment or combined hospitalization and alternative treatment, if the agency or mental health professional who is supervising an individual's alternative treatment program determines that the individual is not complying with the court order or that the alternative treatment has not been or will not be sufficient to prevent harm that the individual may inflict on himself or herself or upon others, then the supervising agency or mental health professional shall notify the court immediately. If the individual believes that the alternative treatment program is not appropriate, the individual may notify the court of that fact.

(2) If it comes to the attention of the court that an individual subject to an order of alternative treatment or combined hospitalization and alternative treatment is not complying with the order, that the alternative treatment has not been or will not be sufficient to prevent harm to the individual or to others, or that the individual believes that the alternative treatment program is not appropriate, the court may do either of the following without a hearing and based upon the record and other available information:

(a) Consider other alternatives to hospitalization and modify the order to direct the individual to undergo another program of alternative treatment for the duration of the order.

(b) Modify the order to direct the individual to undergo hospitalization or combined hospitalization and alternative treatment. The duration of the hospitalization, including the number of days the individual has already been hospitalized if the order being modified is a combined order, shall not exceed 60 days for an initial order or 90 days for a second or continuing order. The modified order may provide that if the individual refuses to comply with the psychiatrist's order to return to the hospital, a peace officer shall take the individual into protective custody and transport the individual to the hospital selected.

Sec. 475a. (1) If an individual is hospitalized without a hearing after placement in an alternative treatment program, the individual has a right to object to the hospitalization. Upon transfer of the individual to the hospital, the hospital shall notify the individual of his or her right to object under this section.

(2) Upon receipt of an objection to a hospitalization under section (1), the court shall schedule a hearing for a determination that the individual requires hospitalization.

Sec. 482. Each individual subject to a 1-year order of involuntary mental health treatment has the right to adequate and prompt review of his or her current status as a person requiring treatment. Six months from the date of a 1-year order of involuntary mental health treatment, the executive director of the community mental health services program responsible for treatment or, if private arrangements for the reimbursement of mental health treatment services have been made, the hospital director or director of the alternative treatment program shall assign a physician or licensed psychologist to review the individual's clinical status as a person requiring treatment.

Sec. 483. (1) The results of each periodic review shall be made part of the individual's record, and shall be filed within 5 days of the review in the form of a written report with the court that last ordered the individual's treatment, and within those 5 days, the executive director or director of the hospital or treatment program with which private reimbursement arrangements have been made shall give notice of the results of the review and information on the individual's right to petition for discharge to the individual, the individual's attorney, the individual's guardian, and the individual's nearest relative or a person designated by the individual.

(2) An individual under a 1-year order of involuntary mental health treatment or a person designated by the individual may submit a complaint to the provider of services at any time regarding the quality and appropriateness of the treatment provided. A copy of each complaint and the provider's response to each complaint shall be submitted to the executive director or director of the private program and the court along with the written report required by subsection (1).

Sec. 485a. (1) Upon a hearing under section 484, if the court finds that an individual under an order of involuntary mental health treatment is no longer a person requiring treatment, the court shall enter a finding to that effect and shall order that the individual be discharged.

(2) Upon a hearing under section 484, if the court finds that an individual under a 1-year order of involuntary mental health treatment continues to be a person requiring treatment, and after consideration of complaints submitted under section 483(2), the court shall do 1 of the following:

(a) Continue the order.

(b) Issue a new continuing order for involuntary mental health treatment under section 472a(3) or (4).

Sec. 498e. (1) A minor requesting hospitalization or for whom a request for hospitalization was made shall be evaluated to determine suitability for hospitalization pursuant to this section as soon as possible after the request is made.

(2) The executive director of the community mental health services program that is responsible for providing services in the county of residence of a minor requesting hospitalization or for whom a request for hospitalization was made shall evaluate the minor to determine his or her suitability for hospitalization pursuant to this section. In making a determination of a minor's suitability for hospitalization, the executive director shall utilize the community mental health services program's children's diagnostic and treatment service. If a children's diagnostic and treatment service does not exist in the community mental health services program, the executive director shall, through written agreement, arrange to have a determination made by the children's diagnostic and treatment service of another community mental health services program, or by the appropriate hospital.

(3) In evaluating a minor's suitability for hospitalization, the executive director shall do all of the following:

(a) Determine both of the following:

(*i*) Whether the minor is a minor requiring treatment.

(*ii*) Whether the minor requires hospitalization and is expected to benefit from hospitalization.

(b) Determine whether there is an appropriate, available alternative to hospitalization, and if there is, refer the minor to that program.

(c) Consult with the appropriate school, hospital, and other public or private agencies.

(d) If the minor is determined to be suitable for hospitalization under subdivision (a), refer the minor to the appropriate hospital.

(e) If the minor is determined not to be suitable for hospitalization under subdivision (a), determine if the minor needs mental health services. If it is determined that the minor needs mental health services, the executive director shall offer an appropriate treatment program for the minor, if the program is available, or refer the minor to any other appropriate agency for services.

(f) If a minor is assessed and found not to be clinically suitable for hospitalization, the executive director shall inform the individual or individuals requesting hospitalization of the minor of appropriate available alternative services to which a referral should be made and of the process for a request of a second opinion under subsection (4).

(4) If the children's diagnostic and treatment service of the community mental health services program denies hospitalization, the parent or guardian of the minor may request a second opinion from the executive director. The executive director shall arrange for an additional evaluation by a psychiatrist, other physician, or licensed psychologist to be performed within 3 days, excluding Sundays and legal holidays, after the executive director receives the request. If the conclusion of the second opinion is different from the conclusion of the children's diagnostic and treatment service, the executive director, in conjunction with the medical director, shall make a decision based on all clinical information available. The executive director's decision shall be confirmed in writing to the individual who requested the second opinion, and the confirming document shall include the signatures of the executive director and medical director or verification that the decision was made in conjunction with the medical director.

(5) If a minor has been admitted to a hospital not operated by or under contract with the department or a community mental health services program and the hospital considers it necessary to transfer the minor to a hospital under contract with a community mental health services program, the hospital shall submit an application for transfer to the appropriate community mental health services program. The executive director shall determine if there is an appropriate, available alternative to hospitalization of the minor. If the executive director determines that there is an appropriate, available alternative program, the minor shall be referred to that program. If the executive director determines that there is not an appropriate, alternative program, the minor shall be referred to a hospital under contract with the community mental health services program.

(6) Except as provided in subsections (1) and (5), this section only applies to hospitals operated under contract with a community mental health services program.

Sec. 498h. (1) A parent, guardian, or person in loco parentis may request emergency admission of a minor to a hospital, if the person making the request has reason to believe that the minor is a minor requiring treatment and that the minor presents a serious danger to self or others.

(2) If the hospital to which the request for emergency admission is made is not under contract to the community mental health services program, the request for emergency hospitalization shall be made directly to the hospital. If the hospital director agrees that the minor needs emergency admission, the minor shall be hospitalized. If the hospital director does not agree, the person making the request may request hospitalization of the minor under section 498d.

(3) If the hospital to which the request for emergency admission is made is under contract to the community mental health services program, the request shall be made to the preadmission screening unit of the community mental health services program serving in the county where the minor resides. If the community mental health services program has a children's diagnostic and treatment service, the preadmission screening unit shall refer the person making the request to that service. In counties where there is no children's diagnostic and treatment service, the preadmission screening unit shall refer the person making the request to the appropriate hospital. If it is determined that emergency admission is not necessary, the person may request hospitalization of the minor under section 498d. If it is determined that emergency admission is necessary, the minor shall be hospitalized or placed in an appropriate alternative program.

(4) If a minor is assessed by the preadmission screening unit and found not to be clinically suitable for hospitalization, the preadmission screening unit shall inform the individual or individuals requesting hospitalization of the minor of appropriate available alternative services to which a referral should be made and of the process for a request of a second opinion under subsection (5).

(5) If the preadmission screening unit of the community mental health services program denies hospitalization, the parent or guardian of the minor may request a second opinion from the executive director. The executive director shall arrange for an additional evaluation by a psychiatrist, other physician, or licensed psychologist to be performed within 3 days, excluding Sundays and legal holidays, after the executive director receives the request. If the conclusion of the second opinion is different from the conclusion of the preadmission screening unit, the executive director, in conjunction with the medical director, shall make a decision based on all clinical information available. The executive director's decision shall be confirmed in writing to the individual who requested the second opinion, and the confirming document shall include the signatures of the executive director and medical director or verification that the decision was made in conjunction with the medical director.

(6) If a person in loco parentis makes a request for emergency admission and the minor is admitted to a hospital under this section, the hospital director or the executive director of the community mental health services program immediately shall notify the parent or parents or the guardian of the minor.

(7) If a minor is hospitalized in a hospital that is operated under contract with a community mental health services program, the hospital director shall notify the appropriate executive director within 24 hours after the hospitalization occurs.

(8) If a peace officer, as a result of personal observation, has reasonable grounds to believe that a minor is a minor requiring treatment and that the minor presents a serious danger to self or others and if after a reasonable effort to locate the minor's parent, guardian, or person in loco parentis, the minor's parent, guardian, or person in loco parentis cannot be located, the peace officer may take the minor into protective custody and transport the minor to the appropriate community mental health preadmission screening unit, if the community mental health services program has a children's diagnostic and treatment service, or to a hospital if it does not have a children's diagnostic and treatment service. After transporting the minor, the peace officer shall execute a written request for emergency hospitalization of the minor stating the reasons, based upon personal observation, that the peace officer believes that emergency hospitalization is necessary. The written request shall include a statement that a reasonable effort was made by the peace officer to locate the minor's parent, guardian, or person in loco parentis. If it is determined that emergency hospitalization of the minor is not necessary, the minor shall be returned to his or her parent, guardian, or person in loco parentis if an additional attempt to locate the parent, guardian, or person in loco parentis is successful. If the minor's parent, guardian, or person in loco parentis cannot be located, the minor shall be turned over to the protective services program of the family independence agency. If it is determined that emergency admission of the minor is necessary, the minor shall be admitted to the appropriate hospital or to an appropriate alternative program. The executive director immediately shall notify the parent, guardian, or person in loco parentis. If the hospital is under contract with the community mental health services program, the hospital director shall notify the appropriate executive director within 24 hours after the hospitalization occurs.

(9) An evaluation of a minor admitted to a hospital under this section shall begin immediately after the minor is admitted. The evaluation shall be conducted in the same manner as provided in section 498e. If the minor is not found to be suitable for hospitalization, the minor shall be released into the custody of his or her parent, guardian, or person in loco parentis and the minor shall be referred to the executive director who shall determine if the minor needs mental health services. If it is determined that the minor needs mental health services, the executive director shall offer an appropriate treatment program for the minor, if the program is available, or refer the minor to another agency for services.

(10) A hospital director shall proceed under either the revised probate code, Act No. 642 of the Public Acts of 1978, being sections 700.1 to 700.993 of the Michigan Compiled Laws, or chapter XIIA of Act No. 288 of the Public Acts of

1939, being sections 712A.1 to 712A.32 of the Michigan Compiled Laws, as warranted by the situation and the best interests of the minor, under any of the following circumstances:

(a) The hospital director cannot locate a parent, guardian, or person in loco parentis of a minor admitted to a hospital under subsection (8).

(b) The hospital director cannot locate the parent or guardian of a minor admitted to a hospital by a person in loco parentis under this section.

Sec. 712. (1) The responsible mental health agency for each recipient shall ensure that a person-centered planning process is used to develop a written individual plan of services in partnership with the recipient. A preliminary plan shall be developed within 7 days of the commencement of services or, if an individual is hospitalized for less than 7 days, before discharge or release. The individual plan of services shall consist of a treatment plan, a support plan, or both. A treatment plan shall establish meaningful and measurable goals with the recipient. The individual plan of services shall address, as either desired or required by the recipient, the recipient's need for food, shelter, clothing, health care, employment opportunities, educational opportunities, legal services, transportation, and recreation. The plan shall be kept current and shall be modified when indicated. The individual in charge of implementing the plan of services shall be designated in the plan.

(2) If a recipient is not satisfied with his or her individual plan of services, the recipient, the person authorized by the recipient to make decisions regarding the individual plan of services, the guardian of the recipient, or the parent of a minor recipient may make a request for review to the designated individual in charge of implementing the plan. The review shall be completed within 30 days and shall be carried out in a manner approved by the appropriate governing body.

(3) An individual chosen or required by the recipient may be excluded from participation in the planning process only if inclusion of that individual would constitute a substantial risk of physical or emotional harm to the recipient or substantial disruption of the planning process. Justification for an individual's exclusion shall be documented in the case record.

Sec. 719. Before initiating a course of psychotropic drug treatment for a recipient, the prescriber or a licensed health professional acting under the delegated authority of the prescriber shall do both of the following:

(a) Explain the specific risks and the most common adverse effects that have been associated with that drug.

(b) Provide the individual with a written summary of the most common adverse effects associated with that drug.

Sec. 742. (1) Seclusion shall be used only in a hospital or center or in a child caring institution licensed under Act No. 116 of the Public Acts of 1973, being sections 722.111 to 722.128 of the Michigan Compiled Laws. A resident or an individual placed in a child caring institution shall not be kept in seclusion except in the circumstances and under the conditions set forth in this section.

(2) A resident may be placed in seclusion only as provided under subsection (3), (4), or (5) and only if it is essential in order to prevent the resident from physically harming others, or in order to prevent the resident from causing substantial property damage.

(3) Seclusion may be temporarily employed for a maximum of 30 minutes in an emergency without an authorization or an order. Immediately after the resident is placed in temporary seclusion, a physician shall be contacted. If, after being contacted, the physician does not authorize or order the seclusion, the resident shall be removed from seclusion.

(4) A resident may be placed in seclusion under an authorization by a physician. Authorized seclusion shall continue only until a physician can personally examine the resident or for 1 hour, whichever is less.

(5) A resident may be placed in seclusion under an order of a physician made after personal examination of the resident to determine if the ordered seclusion poses an undue health risk to the resident. Ordered seclusion shall continue only for that period of time specified in the order or for 8 hours, whichever is less. An order for a minor shall continue for a maximum of 4 hours.

(6) A secluded resident shall continue to receive food, shall remain clothed unless his or her actions make it impractical or inadvisable, shall be kept in sanitary conditions, and shall be provided a bed or similar piece of furniture unless his or her actions make it impractical or inadvisable.

(7) A secluded resident shall be released from seclusion whenever the circumstance that justified its use ceases to exist.

(8) Each instance of seclusion requires full justification for its use, and the results of each periodic examination shall be placed promptly in the record of the resident.

(9) If a resident is secluded repeatedly, the resident's individual plan of services shall be reviewed and modified to facilitate the reduced use of seclusion.

Sec. 748. (1) Information in the record of a recipient, and other information acquired in the course of providing mental health services to a recipient, shall be kept confidential and shall not be open to public inspection. The information may be disclosed outside the department, community mental health services program, licensed facility, or contract provider, whichever is the holder of the record, only in the circumstances and under the conditions set forth in this section.

(2) If information made confidential by this section is disclosed, the identity of the individual to whom it pertains shall be protected and shall not be disclosed unless it is germane to the authorized purpose for which disclosure was sought; and, when practicable, no other information shall be disclosed unless it is germane to the authorized purpose for which disclosure was sought.

(3) An individual receiving information made confidential by this section shall disclose the information to others only to the extent consistent with the authorized purpose for which the information was obtained.

(4) For case record entries made subsequent to March 28, 1996, information made confidential by this section shall be disclosed to an adult recipient, upon the recipient's request, if the recipient does not have a guardian and has not been adjudicated legally incompetent. The holder of the record shall comply with the adult recipient's request for disclosure as expeditiously as possible but in no event later than the earlier of 30 days after receipt of the request or, if the recipient is receiving treatment from the holder of the record, before the recipient is released from treatment.

(5) Except as otherwise provided in subsection (4), (6), (7), or (9), when requested, information made confidential by this section shall be disclosed only under 1 or more of the following circumstances:

(a) Pursuant to orders or subpoenas of a court of record, or subpoenas of the legislature, unless the information is made privileged by law.

(b) To a prosecuting attorney as necessary for the prosecuting attorney to participate in a proceeding governed by this act.

(c) To an attorney for the recipient, with the consent of the recipient, the recipient's guardian with authority to consent, or the parent with legal and physical custody of a minor recipient.

(d) If necessary in order to comply with another provision of law.

(e) To the department if the information is necessary in order for the department to discharge a responsibility placed upon it by law.

(f) To the office of the auditor general if the information is necessary for that office to discharge its constitutional responsibility.

(g) To a surviving spouse of the recipient or, if there is no surviving spouse, to the individual or individuals most closely related to the deceased recipient within the third degree of consanguinity as defined in civil law, for the purpose of applying for and receiving benefits.

(6) Except as otherwise provided in subsection (4), if consent is obtained from the recipient, the recipient's guardian with authority to consent, the parent with legal custody of a minor recipient, or the court-appointed personal representative or executor of the estate of a deceased recipient, information made confidential by this section may be disclosed to all of the following:

(a) Providers of mental health services to the recipient.

(b) The recipient or his or her guardian or the parent of a minor recipient or any other individual or agency unless in the written judgment of the holder the disclosure would be detrimental to the recipient or others.

(7) Information may be disclosed in the discretion of the holder of the record:

(a) As necessary in order for the recipient to apply for or receive benefits.

(b) As necessary for the purpose of outside research, evaluation, accreditation, or statistical compilation, provided that the individual who is the subject of the information can be identified from the disclosed information only if such identification is essential in order to achieve the purpose for which the information is sought or if preventing such identification would clearly be impractical, but in no event if the subject of the information is likely to be harmed by the identification.

(c) To providers of mental or other health services or a public agency, if there is a compelling need for disclosure based upon a substantial probability of harm to the recipient or other individuals.

(8) If required by federal law, the department or a community mental health services program or licensed facility shall grant a representative of the protection and advocacy system designated by the governor in compliance with section 931 access to the records of all of the following:

(a) A recipient, if the recipient, the recipient's guardian with authority to consent, or a minor recipient's parent with legal and physical custody of the recipient has consented to the access.

(b) A recipient, including a recipient who has died or whose whereabouts are unknown, if all of the following apply:

(*i*) Because of mental or physical condition, the recipient is unable to consent to the access.

(*ii*) The recipient does not have a guardian or other legal representative, or the recipient's guardian is the state.

(*iii*) The protection and advocacy system has received a complaint on behalf of the recipient or has probable cause to believe based on monitoring or other evidence that the recipient has been subject to abuse or neglect.

(c) A recipient who has a guardian or other legal representative if all of the following apply:

(*i*) A complaint has been received by the protection and advocacy system or there is probable cause to believe the health or safety of the recipient is in serious and immediate jeopardy.

(*ii*) Upon receipt of the name and address of the recipient's legal representative, the protection and advocacy system has contacted the representative and offered assistance in resolving the situation.

(*iii*) The representative has failed or refused to act on behalf of the recipient.

(9) The records, data, and knowledge collected for or by individuals or committees assigned a peer review function, including the review function under section 143a(1), are confidential, shall be used only for the purposes of peer review, are not public records, and are not subject to court subpoena. This subsection does not prevent disclosure of individual case records pursuant to this section.

(10) The holder of an individual's record, when authorized to release information for clinical purposes by the individual or the individual's guardian or a parent of a minor, shall release a copy of the entire medical and clinical record to the provider of mental health services.

Section 2. Sections 469, 472, and 485 of Act No. 258 of the Public Acts of 1974, being sections 330.1469, 330.1472, and 330.1485 of the Michigan Compiled Laws, are repealed.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved _____

Governor.