

Senate Fiscal Agency
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SFA



BILL ANALYSIS

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Senate Bill 1006 (as reported without amendment)
Senate Bill 1007 (as reported by the Committee of the Whole)
Sponsor: Senator Bev Hammerstrom (Senate Bill 1006)
 Senator Mike Rogers (Senate Bill 1007)
Committee: Families, Mental Health and Human Services

Date Completed: 2-24-00

RATIONALE

The Mental Health Code allows two or more counties to organize and operate a combined community mental health (CMH) services program, or to merge separate CMH programs into a single CMH program. Washtenaw County's CMH board, however, would like to operate jointly not with another county, but with the University of Michigan (UM) hospital in providing mental health services. Some people believe that, in order to allow a county to draw upon academic and research expertise and provide more efficient services, the Code should allow a county to join together with a university medical school in operating a CMH services program.

CONTENT

Senate Bills 1006 and 1007 would amend the Mental Health Code and the Urban Cooperation Act, respectively, to allow a county to organize and operate a community mental health services program jointly with a university that grants bachelors degrees and has a medical school.
Senate Bill 1007 is tie-barred to Senate Bill 1006.

Senate Bill 1006

The bill would allow one or more counties and a Michigan institution of higher education that is authorized to grant a baccalaureate degree and has a medical school to organize and operate a CMH services program by creating a CMH organization under the Urban Cooperation Act. The county or counties and the Michigan institution of higher education could establish a CMH services program by a majority vote of each county board of commissioners and of the board of the medical school.

The Code currently allows two or more counties to organize and operate a CMH services program by creating a CMH organization under the Urban Cooperation Act, and it allows a single county or

combination of adjoining counties to elect to establish a CMH services program by a majority vote of each county board of commissioners. The bill would retain those provisions.

Senate Bill 1007

The bill specifies that, for the purpose of an interlocal agreement under Senate Bill 1006, the Urban Cooperation Act's definition of "public agency" would include a Michigan institution of higher education that is authorized to grant a baccalaureate degree and has a medical school.

The Act defines "public agency" as a political subdivision of the State or of another state or of Canada, including but not limited to state government; a county, city, village, township, charter township, school district, single or multipurpose special district, or single or multipurpose public authority; a provincial government, metropolitan government, borough, or other political subdivision of Canada; an agency of the U.S. government; or a similar entity of any other state of the U.S. or Canada.

MCL 330.1204a & 330.1210 (S.B. 1006)
124.502 (S.B. 1007)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bills would facilitate the desired joint venture of Washtenaw County's CMH board and the UM hospital in organizing and operating a CMH services program. Such an arrangement would provide for more efficient delivery of mental health services in Washtenaw County, and would allow that county's CMH services program to draw directly upon the expertise of the UM hospital in providing those services. The use of the UM hospital's resources and abilities would greatly benefit Washtenaw County's mental health service recipients. Further, the joint CMH services program could offer resources and expertise to other CMH boards in nearby counties.

In addition, the bills' authorization is broad enough that other counties could affiliate with the UM hospital or the medical schools at Michigan State University or Wayne State University. The bills could lead to cooperative agreements across the State that could take advantage of the outreach and expertise of these major research institutions.

Supporting Argument

The bills would allow the Washtenaw County CMH program, and any other county that chose to affiliate its CMH services program with a university medical school, to position itself favorably for an anticipated transition to a "bid out" system for the delivery of mental health services. It is widely believed that in the next couple of years, State contracts for the provision of those services may be subject to a bid process rather than awarded automatically to the current CMH programs. If that happens, forward-looking CMH programs that affiliated themselves with such entities as medical schools and university hospitals would stand in a stronger position to secure those bids and continue providing beneficial services in their communities.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bills would have no fiscal impact on the State. The State has shifted to a capitated payment system based on caseload, and new organizational arrangements would not affect State funding. To the degree that a cooperative agreement between a university and a CMH board created efficiencies, a county government could see some savings.

Fiscal Analyst: S. Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.