

Senate Fiscal Agency
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Senate Bill 1006 (as enrolled)
Sponsor: Senator Bev Hammerstrom
Senate Committee: Families, Mental Health and Human Services
House Committee: Health Policy

PUBLIC ACT 130 of 2000

Date Completed: 3-7-01

RATIONALE

For several years, the Washtenaw County community mental health (CMH) program and the University of Michigan hospital prepared to create a new organization to contract with providers for both mental health services and physical health services and provide coordinated care. This type of arrangement was not authorized in statute, however. Although the Mental Health Code allows two or more counties to organize and operate a combined CMH program, or to merge separate CMH programs into a single CMH program, the Code did not provide for a county to join forces with a university medical school. It was suggested that, in order to allow Washtenaw County to draw upon the university hospital's academic expertise and resources, and provide more efficient services, the Code should accommodate this joint venture.

subject to Public Act 336 of 1947 (the public employment relations law).

In addition, at the time the CMH organization is expanded under these provisions, the employees of the former CMH program must be transferred to the CMH organization and appointed as employees who will retain all the rights and benefits for one year. An employee of the organization may not, by reason of the transfer, be placed in a worse position for a period of one year with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or another benefit that the employee had as an employee of the former CMH services program. Also, a transferred employee's accrued benefits or credits may not be diminished because of the transfer.

CONTENT

The bill amended the Mental Health Code to permit one or more counties and an institution of higher education in this State to organize and operate a community mental health services program by creating a CMH organization under the Urban Cooperation Act. The institution of higher education must be authorized to grant a baccalaureate degree, have a medical school, have its main facility in a city with a population of at least 100,000 but not more than 500,000, and be located in a county initiating the formation of a CMH organization.

After the formation of a CMH organization, a county that joins or merges with it must comply with the requirement that the manner of employing, compensating, transferring, or discharging necessary personnel is subject to the provisions of the applicable civil service and merit systems and the following restrictions:

- The employee of a CMH organization is a public employee.
- A CMH organization and its employees are

The bill specifies that, if a former county CMH services program was the designated employer or participated in the development of a collective bargaining agreement, the CMH organization assumes and is bound by the existing collective bargaining agreement. The expansion of a CMH organization does not adversely affect existing rights or obligations contained in the existing agreement. (For purposes of these provisions, "participation in the development of a collective bargaining agreement" means that a representative of the CMH services program actively participated in bargaining sessions with the employer representative and union or was consulted during the bargaining process.)

(Under the Urban Cooperation Act, a public agency may exercise jointly with another public agency any power or authority that the agencies share in common, and that each might exercise separately. A joint exercise of power must be made by contract in the form of an interlocal agreement.)

MCL 330.1204a

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 bill facilitated the desired joint venture of Washtenaw County's CMH board and the University of Michigan hospital in organizing and operating a CMH services program. The board of the new "Washtenaw Community Health Organization" is jointly appointed by the university board of regents and the county board of commissioners. The new entity integrates policy-making for services to low income recipients, while the county remains the provider of services. This arrangement enables the county's CMH program to draw directly upon the expertise and resources of the university hospital in providing physical health care, as well as mental health services, for the benefit of Washtenaw County's mental health service recipients. Not only will the physical and mental health care improve for the indigent and those with mental illnesses, but the use of health care dollars also will be maximized. Reportedly, this is the first program of its kind in the nation.

Legislative Analyst: P. Affholter
S. Lowe

FISCAL IMPACT

The bill will have no fiscal impact on the State. The State has shifted to a capitated payment system based on caseload, and the new organizational arrangement will not affect State funding. To the degree that a cooperative agreement between a university and a CMH board creates efficiencies, the county government may 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.