

Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 1418 (Substitute S-1 as reported by the Committee of the Whole)  
Senate Bill 1419 (Substitute S-2 as reported)  
Sponsor: Senator Bev Hammerstrom (Senate Bill 1418)  
Senator Shirley Johnson (Senate Bill 1419)  
Committee: Families, Mental Health and Human Services

## **CONTENT**

Senate Bill 1418 (S-1) would amend the Social Welfare Act to require that the Governor create a specialty services panel within the Department of Community Health (DCH) to review and make determinations regarding applications for participation submitted by community mental health services programs or other managing entities.

Senate Bill 1419 (S-2) would amend the Social Welfare Act to require that Medicaid-covered specialty services and supports be managed and delivered by specialty prepaid health plans chosen by the DCH with advice and recommendations from the panel; that the DCH support the use of Medicaid funds for specialty services and supports for eligible Medicaid beneficiaries with a serious mental illness, development disability, serious emotional disturbance, or substance abuse disorder; and that the specialty services and supports be carved out from the basic Medicaid health care benefits package. The bill is tie-barred to Senate Bill 1418.

In addition to reviewing applications for participation, the panel proposed by Senate Bill 1418 (S-1) would advise the DCH Director regarding performance and quality relating to Medicaid specialty services and supports. The panel would have access to all aggregate quality management information gathered by the DCH relating to the managing entities.

The specialty services panel would consist of the following members, appointed by the Governor: the DCH Director, or his or her representative; two other members representing the DCH; the Director of the Department of Management and Budget, or his or her representative; four members representing primary consumers or family members, at least one of whom would have to represent substance abuse services; and four members representing other stakeholders, including one each from the statewide advocacy organizations representing adults with serious mental illness, children with serious emotional disturbance, and individuals with developmental disabilities. At least one of the four members representing other stakeholders would have to be a county commissioner. A member would have to divulge potential conflicts of interest. The panel would have to meet at least twice per year.

Proposed MCL 400.109g (S.B. 1418)  
Proposed MCL 400.109f (S.B. 1419)

Legislative Analyst: P. Affholter

## **FISCAL IMPACT**

Under Senate Bill 1418, the only costs would be the per diem costs for the proposed panel's meetings. Senate Bill 1419 (S-2) would effectively codify current State policy. The only change would be the possibility that other organizations could become gate-keepers for mental health services.

Date Completed: 11-28-00

Fiscal Analyst: S. Angelotti