



**House
Legislative
Analysis
Section**

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**CMHSPs: REGIONAL ENTITIES AND
CARRYFORWARD**

**Senate Bills 554 and 556 as passed by the
Senate**

Sponsor: Sen. Shirley Johnson

**Senate Bills 555 and 557 (Substitutes H-1)
Senate Bill 1337 as passed by the Senate**

Sponsor: Sen. Bev Hammerstrom

Addendum to SFA Analysis (9-18-02)

**Senate Committee: Families, Mental
Health and Human Services
House Committee: Health Policy**

**ADDENDUM TO SENATE FISCAL AGENCY ANALYSIS OF SENATE BILLS 554-557
AND 1337 DATED 7-31-02:**

HOUSE COMMITTEE ACTION:

The House Health Policy Committee reported Senate Bills 554, 556, and 1337 in the same form they passed the Senate.

The committee adopted substitute versions of Senate Bills 555 and 557. The House version of Senate Bill 555 would make three changes to the version of the bill passed by the Senate. First, the Senate version of the bill allows a combination of community mental health *organizations* or *authorities* to establish a regional entity by adopting bylaws that satisfied the bill's requirements. The House version would, in addition, allow a county community mental health *agency* to combine with a community mental health organization or authority to establish a regional entity if the board of commissioners of the county or counties represented by the community mental health agency adopted bylaws that satisfied the bill's requirements. (The Mental Health Code recognizes three types of community mental health service programs, or CMHSPs: CMHSPs may be community mental health agencies, which are official county agencies, or community mental health organizations or authorities, which are public governmental entities separate from the county or counties that establish them.) Second, the House version of the bill would specify that a regional entity was a public governmental entity separate from the county, authority, or organization that established it. Third, both versions of the bill address the rights of employees of the community mental health services program participating in the regional entity. The Senate version of the bill requires that the CMHSP's employees be transferred to the regional entity and be appointed as employees who retain all employee rights and benefits for one year. The House version of the bill would acknowledge the possibility that a participating CMHSP might cease to operate once the regional entity is established. The House version would require that all participating CMHSP employees *who are transferred* to the regional entity retain their rights and benefits for one year. If a participating CMHSP ceased operations upon the establishment of a regional entity, however, the program's

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employees would have to be transferred to the regional entity and appointed as employees of the regional entity who would retain all their rights and benefits for one year.

The House version of Senate Bill 557 would make one change to the version of the bill passed by the Senate. Currently, the Mental Health Code restricts membership on CMHSP boards to prevent conflicts of interest. One provision specifies that an individual may not be appointed to or serve on a board if he or she is a party to a contract with the CMHSP or if he or she is administering or benefiting financially from such a contract. The Senate version of the bill would make an exception to this restriction for parties to a contract between a CMHSP and a regional entity, effectively allowing members of a participating CMHSP board to sit on the regional entity board. The House version of the bill would create an additional exception for parties to a contract between a CMHSP and a separate legal or administrative entity created by two or more CMHSPs under either the Urban Cooperation Act or under Public Act 8 of 1967 (Ex. Sess.). (The Urban Cooperation Act and Public Act 8 of 1967 already allow regional affiliation agreements between CMHSPs.)

POSITIONS:

The Michigan Association of Community Mental Health Boards supports the bills. (9-17-02)

The Department of Community Health does not have an official position on the bills. (9-17-02)

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Analyst: J. Caver

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.