

SENATE BILL No. 555

June 26, 2001, Introduced by Senators HAMMERSTROM and JOHNSON and referred to the Committee on Families, Mental Health and Human Services.

A bill to amend 1974 PA 258, entitled
"Mental health code,"
(MCL 330.1001 to 330.2106) by adding section 204b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 204B. (1) A COMBINATION OF ADJOINING COMMUNITY MENTAL
2 HEALTH ORGANIZATIONS OR AUTHORITIES MAY ESTABLISH A REGIONAL
3 ENTITY BY ADOPTING BYLAWS THAT SATISFY THE REQUIREMENTS OF THIS
4 SECTION. ALL OF THE FOLLOWING SHALL BE STATED IN THE BYLAWS
5 ESTABLISHING THE REGIONAL ENTITY:

6 (A) THE PURPOSE AND POWER TO BE EXERCISED BY THE REGIONAL
7 ENTITY TO CARRY OUT THE PROVISIONS OF THIS ACT, INCLUDING THE
8 MANNER BY WHICH THE PURPOSE SHALL BE ACCOMPLISHED OR THE POWER
9 SHALL BE EXERCISED.

1 (B) THE MANNER IN WHICH A COMMUNITY MENTAL HEALTH SERVICE
2 PROGRAM WILL PARTICIPATE IN GOVERNING THE REGIONAL ENTITY,
3 INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

4 (i) WHETHER A COMMUNITY MENTAL HEALTH SERVICE PROGRAM THAT
5 SUBSEQUENTLY PARTICIPATES IN THE REGIONAL ENTITY MAY PARTICIPATE
6 IN GOVERNING ACTIVITIES.

7 (ii) THE CIRCUMSTANCES UNDER WHICH A PARTICIPATING COMMUNITY
8 MENTAL HEALTH SERVICE PROGRAM MAY WITHDRAW FROM THE REGIONAL
9 ENTITY AND THE NOTICE REQUIRED FOR THAT WITHDRAWAL.

10 (iii) THE PROCESS FOR DESIGNATING THE REGIONAL ENTITY'S
11 OFFICERS AND THE METHOD OF SELECTING THE OFFICERS. THIS PROCESS
12 SHALL INCLUDE APPOINTING A FISCAL OFFICER WHO SHALL RECEIVE,
13 DEPOSIT, INVEST, AND DISBURSE THE REGIONAL ENTITY'S FUNDS IN THE
14 MANNER AUTHORIZED BY THE BYLAWS OR THE REGIONAL ENTITY'S GOVERN-
15 ING BODY. A FISCAL OFFICER MAY HOLD ANOTHER OFFICE OR OTHER
16 EMPLOYMENT WITH THE REGIONAL ENTITY OR A PARTICIPATING COMMUNITY
17 MENTAL HEALTH SERVICE PROGRAM.

18 (C) THE MANNER IN WHICH THE REGIONAL ENTITY'S ASSETS AND
19 LIABILITIES SHALL BE ALLOCATED TO EACH PARTICIPATING COMMUNITY
20 MENTAL HEALTH SERVICE PROGRAM, INCLUDING, AT A MINIMUM, ALL OF
21 THE FOLLOWING:

22 (i) THE MANNER FOR EQUITABLY PROVIDING FOR, OBTAINING, AND
23 ALLOCATING REVENUES DERIVED FROM A FEDERAL OR STATE GRANT OR
24 LOAN, OR A GIFT, BEQUEST, GRANT, OR LOAN FROM A PRIVATE SOURCE.

25 (ii) THE METHOD OR FORMULA FOR EQUITABLY ALLOCATING AND
26 FINANCING THE REGIONAL ENTITY'S CAPITAL AND OPERATING COSTS,

1 PAYMENTS TO RESERVE FUNDS AUTHORIZED BY LAW, AND PAYMENTS OF
2 PRINCIPAL AND INTEREST ON OBLIGATIONS.

3 (iii) THE METHOD FOR ALLOCATING ANY OF THE REGIONAL ENTITY'S
4 OTHER ASSETS.

5 (iv) THE MANNER IN WHICH, AFTER THE COMPLETION OF ITS PUR-
6 POSE AS SPECIFIED IN THE REGIONAL ENTITY'S BYLAWS, ANY SURPLUS
7 FUNDS SHALL BE RETURNED TO THE PARTICIPATING COMMUNITY MENTAL
8 HEALTH SERVICE PROGRAMS.

9 (D) A PROCESS PROVIDING FOR STRICT ACCOUNTABILITY OF ALL
10 FUNDS AND THE MANNER IN WHICH REPORTS, INCLUDING AN ANNUAL INDE-
11 PENDENT AUDIT OF ALL THE REGIONAL ENTITY'S RECEIPTS AND DISBURSE-
12 MENTS, SHALL BE PREPARED AND PRESENTED.

13 (E) THE MANNER IN WHICH THE REGIONAL ENTITY SHALL ENTER INTO
14 CONTRACTS INCLUDING A CONTRACT INVOLVING THE ACQUISITION, OWNER-
15 SHIP, CUSTODY, OPERATION, MAINTENANCE, LEASE, OR SALE OF REAL OR
16 PERSONAL PROPERTY AND THE DISPOSITION, DIVISION, OR DISTRIBUTION
17 OF PROPERTY ACQUIRED THROUGH THE EXECUTION OF THE CONTRACT.

18 (F) THE MANNER FOR ADJUDICATING A DISPUTE OR DISAGREEMENT
19 AMONG PARTICIPATING COMMUNITY MENTAL HEALTH SERVICE PROGRAMS.

20 (G) THE EFFECT OF A PARTICIPATING COMMUNITY MENTAL HEALTH
21 SERVICE PROGRAM'S FAILURE TO PAY ITS DESIGNATED SHARE OF THE
22 REGIONAL ENTITY'S COSTS AND EXPENSES, AND THE RIGHTS OF THE OTHER
23 PARTICIPATING COMMUNITY MENTAL HEALTH SERVICE PROGRAMS AS A
24 RESULT OF THAT FAILURE.

25 (H) THE PROCESS AND VOTE REQUIRED TO AMEND THE BYLAWS.

26 (I) ANY OTHER NECESSARY AND PROPER MATTER AGREED TO BY THE
27 PARTICIPATING COMMUNITY MENTAL HEALTH SERVICE PROGRAMS.

1 (2) EXCEPT AS OTHERWISE STATED IN THE BYLAWS, A REGIONAL
2 ENTITY HAS ALL OF THE FOLLOWING POWERS:

3 (A) THE POWER, PRIVILEGE, OR AUTHORITY THAT THE PARTICIPAT-
4 ING COMMUNITY MENTAL HEALTH SERVICE PROGRAMS SHARE IN COMMON AND
5 MAY EXERCISE SEPARATELY UNDER THIS ACT, WHETHER OR NOT THAT
6 POWER, PRIVILEGE, OR AUTHORITY IS SPECIFIED IN THE BYLAWS ESTAB-
7 LISHING THE REGIONAL ENTITY.

8 (B) THE POWER TO CONTRACT WITH THE STATE TO SERVE AS THE
9 MEDICAID SPECIALTY SERVICE PREPAID HEALTH PLAN FOR THE DESIGNATED
10 SERVICE AREAS OF THE PARTICIPATING COMMUNITY MENTAL HEALTH SERV-
11 ICE PROGRAMS.

12 (C) THE POWER TO ACCEPT FUNDS, GRANTS, GIFTS, OR SERVICES
13 FROM THE FEDERAL GOVERNMENT OR A FEDERAL AGENCY, THE STATE OR A
14 STATE DEPARTMENT, AGENCY, INSTRUMENTALITY, OR POLITICAL SUBDIVI-
15 SION, OR ANY OTHER GOVERNMENTAL UNIT WHETHER OR NOT THAT GOVERN-
16 MENTAL UNIT PARTICIPATES IN THE REGIONAL ENTITY, AND FROM A PRI-
17 VATE OR CIVIC SOURCE.

18 (D) THE POWER TO ENTER INTO A CONTRACT WITH A PARTICIPATING
19 COMMUNITY MENTAL HEALTH SERVICE PROGRAM FOR ANY SERVICE TO BE
20 PERFORMED FOR, BY, OR FROM THE PARTICIPATING COMMUNITY MENTAL
21 HEALTH SERVICE PROGRAM.

22 (E) THE POWER TO CREATE A RISK POOL AND TAKE OTHER ACTION AS
23 NECESSARY TO REDUCE THE RISK THAT A PARTICIPATING COMMUNITY
24 MENTAL HEALTH SERVICE PROGRAM OTHERWISE BEARS INDIVIDUALLY.

25 (3) ALL THE PRIVILEGES AND IMMUNITY FROM LIABILITY AND
26 EXEMPTIONS FROM LAWS, ORDINANCES, AND RULES PROVIDED UNDER
27 SECTION 205(3)(B) TO COUNTY COMMUNITY MENTAL HEALTH SERVICE

1 PROGRAMS AND THEIR BOARD MEMBERS, OFFICERS, AND ADMINISTRATORS,
2 AND COUNTY ELECTED OFFICIALS AND EMPLOYEES OF COUNTY GOVERNMENT
3 ARE RETAINED BY A REGIONAL ENTITY CREATED UNDER THIS SECTION AND
4 THE REGIONAL ENTITY'S BOARD MEMBERS, OFFICERS, AGENTS, AND
5 EMPLOYEES.

6 (4) A REGIONAL ENTITY SHALL PROVIDE AN ANNUAL REPORT OF ITS
7 ACTIVITIES TO EACH PARTICIPATING COMMUNITY MENTAL HEALTH SERVICE
8 PROGRAM.

9 (5) THE REGIONAL ENTITY'S BYLAWS SHALL BE FILED WITH THE
10 CLERK OF EACH COUNTY IN WHICH A PARTICIPATING COMMUNITY MENTAL
11 HEALTH SERVICE PROGRAM IS LOCATED AND WITH THE SECRETARY OF
12 STATE, BEFORE THE BYLAWS TAKE EFFECT.