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BILL ANALYSIS

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Senate Bills 1076 through 1080 (as introduced 3-4-04)
Sponsor: Senator Bev Hammerstrom (S.B. 1076, 1077, & 1080)
 Senator Shirley Johnson (S.B. 1078 & 1079)
Committee: Health Policy

Date Completed: 3-8-04

CONTENT

Senate Bills 1076 through 1080 would amend the Mental Health Code to do the following:

- Require the Detroit-Wayne County community mental health services program (CMHSP) to be established as a community mental health (CMH) authority.**
- Revise the membership requirements for the Detroit-Wayne County CMHSP board.**
- Allow the Director of the Department of Community Health (DCH) immediately to impose sanctions on the Detroit-Wayne County CMH authority for violating standards that apply to specialty prepaid health plans under the Medicaid Managed Care Program.**

The bills are tie-barred to each other. They are described below in further detail.

Senate Bill 1076

The bill provides that, if a single charter county that had situated totally within it a city with a population of at least 500,000 (i.e., Wayne County and the City of Detroit, respectively) established a CMHSP, the CMHSP would have to be established as a CMH authority as defined in Section 205 of the Code. (Under that section, a certified county CMH agency or organization may become a CMH authority through an enabling resolution adopted by the board of commissioners of each creating county after at least three public hearings.)

Under the Code, a CMHSP must be a county CMH agency, a CMH organization, or a CMH authority. (A county CMH agency is an official county agency. A CMH organization or authority is a public governmental entity separate from the county or counties that establish it.)

Senate Bill 1077

The bill would revise the composition of the Detroit-Wayne County CMHSP. Currently, the board consists of 12 members. Six of the members are Detroit residents appointed by the city's chief executive officer. The remaining six members are Wayne County residents, not from Detroit, appointed by the county's chief executive officer with the advice and consent of the county board of commissioners.

Under the bill, the board would consist of the following members:

- Two Detroit residents appointed by the mayor of Detroit. One of the members would have to be a primary consumer.
- One Detroit resident appointed by the Detroit City Council.
- Two Wayne County residents appointed by the county's chief executive officer. One of the members would have to be a primary consumer.
- One Wayne County resident appointed by the county board of commissioners.
- Two Wayne County residents appointed by the Governor with the advice and consent of the Senate. One of the members would have to be a primary consumer.
- One Wayne County resident appointed by the DCH Director.

The bill provides that the term of office for board members would be determined as described under Section 224 of the Code. (Under that section, the term of office of a board member is three years, beginning April 1 of the year of the appointment.)

Senate Bill 1078

Under the Code, a board member may be removed from office for neglect of official duty or misconduct in office by the appointing board of commissioners or, if the board member was appointed by the chief executive officer of a county or city, by that chief executive officer. The bill would delete the reference to the chief executive officer and instead refer to the individual who appointed the member (in accordance with the changes proposed by Senate Bill 1077).

Senate Bill 1079

The Code prohibits the DCH from requiring a CMHSP to become a CMH authority as a condition of certification; CMH authority status is voluntary. The bill would make an exception to this provision in the case of the Detroit-Wayne County CMHSP.

Senate Bill 1080

The Code requires the DCH to establish standards for CMHSPs designated as specialty prepaid health plans under the Medicaid Managed Care Program (for the seriously mentally ill, the developmentally disabled, and those who have addictive disorders). The standards must refer to applicable Federal regulations and specify additional State requirements for specialty prepaid health plans. Contracts with specialty prepaid health plans must indicate the sanctions that the DCH may invoke if it makes a determination that a specialty prepaid health plan is not in substantial compliance with promulgated standards and Federal regulations; that the plan has misrepresented or falsified information reported to the State or Federal government; or that the plan has failed substantially to provide necessary covered services to recipients under the terms of the contract. Sanctions may include a monetary penalty imposed on the plan's administrative and management operation; imposition of temporary State management of a CMHSP operating as a specialty prepaid health plan; or termination of the DCH's Medicaid Managed Care contract with the CMHSP.

Before imposing a sanction, the DCH must provide timely written notice to the plan that explains the basis and nature of the sanction, and the opportunity for a hearing to contest or dispute the DCH's findings and intended sanction.

Under the bill, in the case of the Detroit-Wayne County CMH authority, the DCH Director immediately could implement the sanctions before complying with the notice and hearing opportunity requirements.

MCL 330.1204 (S.B. 1076)
330.1216 (S.B. 1077)

Legislative Analyst: Julie Koval

330.1224 (S.B. 1078)
330.1232a (S.B. 1079)
330.1232b (S.B. 1080)

FISCAL IMPACT

The bills would require a single-county community mental health program (the Detroit-Wayne County CMHSP) to become a CMH authority. The sanctions included in Senate Bill 1080, if imposed, would lead to unspecified savings for the State.

Fiscal Analyst: Steve 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.