

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5126**

A bill to amend 1974 PA 258, entitled
"Mental health code,"
by amending section 226 (MCL 330.1226), as amended by 2004 PA 497.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 226. (1) The board of a community mental health services
2 program shall do all of the following:

3 (a) Annually conduct a needs assessment to determine the
4 mental health needs of the residents of the county or counties it
5 represents and identify public and nonpublic services necessary to
6 meet those needs. Information and data concerning the mental health
7 needs of individuals with developmental disability, serious mental
8 illness, and serious emotional disturbance shall be reported to the
9 department in accordance with procedures and at a time established
10 by the department, along with plans to meet identified needs. It is

1 the responsibility of the community mental health services program
2 to involve the public and private providers of mental health
3 services located in the county or counties served by the community
4 mental health program in this assessment and service identification
5 process. The needs assessment shall include information gathered
6 from all appropriate sources, including community mental health
7 waiting list data and school districts providing special education
8 services.

9 (b) Annually review and submit to the department a needs
10 assessment report, annual plan, and request for new funds for the
11 community mental health services program. The standard format and
12 documentation of the needs assessment, annual plan, and request for
13 new funds shall be specified by the department.

14 (c) In the case of a county community mental health agency,
15 obtain approval of its needs assessment, annual plan and budget,
16 and request for new funds from the board of commissioners of each
17 participating county before submission of the plan to the
18 department. In the case of a community mental health organization,
19 provide a copy of its needs assessment, annual plan, request for
20 new funds, and any other document specified in accordance with the
21 terms and conditions of the organization's inter-local agreement to
22 the board of commissioners of each county creating the
23 organization. In the case of a community mental health authority,
24 provide a copy of its needs assessment, annual plan, and request
25 for new funds to the board of commissioners of each county creating
26 the authority.

27 (d) Submit the needs assessment, annual plan, and request for

1 new funds to the department by the date specified by the
2 department. The submission constitutes the community mental health
3 services program's official application for new state funds.

4 (e) Provide and advertise a public hearing on the needs
5 assessment, annual plan, and request for new funds before providing
6 them to the county board of commissioners.

7 (f) Submit to each board of commissioners for their approval
8 an annual request for county funds to support the program. The
9 request shall be in the form and at the time determined by the
10 board or boards of commissioners.

11 (g) Annually approve the community mental health services
12 program's operating budget for the year.

13 (h) Take those actions it considers necessary and appropriate
14 to secure private, federal, and other public funds to help support
15 the community mental health services program.

16 (i) Approve and authorize all contracts for the provision of
17 services.

18 (j) Review and evaluate the quality, effectiveness, and
19 efficiency of services being provided by the community mental
20 health services program. The board shall identify specific
21 performance criteria and standards to be used in the review and
22 evaluation. These shall be in writing and available for public
23 inspection upon request.

24 (k) Subject to subsection (3), appoint an executive director
25 of the community mental health services program who meets the
26 standards of training and experience established by the department.

27 (l) Establish general policy guidelines within which the

1 executive director shall execute the community mental health
2 services program.

3 (m) Require the executive director to select a physician, a
4 registered professional nurse with a specialty certification issued
5 under section 17210 of the public health code, 1978 PA 368, MCL
6 333.17210, or a licensed psychologist to advise the executive
7 director on treatment issues.

8 (2) A community mental health services program may do all of
9 the following:

10 (a) Establish demonstration projects allowing the executive
11 director to do 1 or both of the following:

12 (i) Issue a voucher to a recipient in accordance with the
13 recipient's plan of services developed by the community mental
14 health services program.

15 (ii) Provide funding for the purpose of establishing revolving
16 loans to assist recipients of public mental health services to
17 acquire or maintain affordable housing. Funding under this
18 subparagraph shall only be provided through an agreement with a
19 nonprofit fiduciary.

20 (b) Carry forward any surplus of revenue over expenditures
21 under a capitated managed care system. Capitated payments under a
22 managed care system are not subject to cost settlement provisions
23 of section 236.

24 (c) Carry forward the operating margin up to 5% of the
25 community mental health services program's state share of the
26 operating budget for the fiscal years ending September 30, ~~2005,~~
27 ~~2006, 2007, and 2008~~ **2009, 2010, AND 2011**. As used in this

1 subdivision, "operating margin" means the excess of state revenue
2 over state expenditures for a single fiscal year exclusive of
3 capitated payments under a managed care system. In the case of a
4 community mental health authority, this carryforward is in addition
5 to the reserve accounts described in section 205(4)(h).

6 (d) Pursue, develop, and establish partnerships with private
7 individuals or organizations to provide mental health services.

8 (e) Share the costs or risks, or both, of managing and
9 providing publicly funded mental health services with other
10 community mental health services programs through participation in
11 risk pooling arrangements, reinsurance agreements, and other joint
12 or cooperative arrangements as permitted by law.

13 (3) In the case of a county community mental health agency,
14 the initial appointment by the board of an individual as executive
15 director is effective unless rejected by a 2/3 vote of the county
16 board of commissioners within 15 calendar days.

17 (4) A community mental health services program that has
18 provided assisted outpatient treatment services during a fiscal
19 year may be eligible for reimbursement if an appropriation is made
20 for assisted outpatient treatment services for that fiscal year.
21 The reimbursement described in this subsection is in addition to
22 any funds that the community mental health services program is
23 otherwise eligible to receive for providing assisted outpatient
24 treatment services.