



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1098 (Substitute S-1 as reported)
Sponsor: Senator Bruce Caswell
Committee: Families, Seniors and Human Services

CONTENT

The bill would amend the Mental Health Code to require priority for the provision of mental health services to be given to children placed into residential foster care who required any level of mental health treatment.

Under the Code, services provided by a community mental health services program must be directed to individuals with serious mental illness, serious emotional disturbance, or developmental disability. Priority for these services must be given to individuals with the most severe forms of these illnesses or disabilities, and to those individuals in urgent or emergency situations. The bill would require that priority also be given to children who required any level of mental health treatment and were placed by the Department of Human Services into residential foster care.

As used in the bill, "residential foster care" would mean a child caring institution or a private home as those terms are defined in the child care licensing Act. ("Child caring institution" means a child care facility that is organized for the purpose of receiving children for care, maintenance, and supervision, usually on a 24-hour basis, in buildings maintained by the institution for that purpose, and operates throughout the year. "Private home" means a private residence in which the licensee or registrant permanently resides as a member of the household, and includes a full-time foster family home, a full-time foster family group home, a group child care home, and a family child care home.)

The bill would take effect on July 1, 2015.

MCL 330.1208

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill has the potential to increase costs for State and local government. By designating children placed in long-term residential foster care as a priority population for community mental health services programs (CMHSPs), the bill would effectively increase the number of people whom CMHSPs are required to treat. Since CMHSPs receive funding from State and local sources, an increase in populations required to be covered without additional funding would lead to fewer financial resources available for other CMHSP services. Currently, only foster children with severe emotional disturbances are considered to be a priority population. Under the bill, children with mental health issues ranging from mild to severe would be a priority population. Increased costs to the State would result from offering therapy, medication, case management, psychiatry, and other services to the expanded population.

The State Budget Office has estimated that the inclusion of this population in the priority designation would have an ongoing cost of \$1.5 million GF/GP (\$3.7 million Gross). Some of

these costs could be offset by Temporary Assistance for Needy Families, Medicaid, and Title IV-E (foster care) funds. Additionally, the FY 2014-15 Department of Community Health budget included \$9.3 million ongoing, \$5.0 million one-time GF/GP funds, and Federal matching funds for the implementation of the Mental Health and Wellness Commission recommendations. As this bill would directly fulfill one of the Commission's recommendations, these funds could be available to cover the costs discussed above.

Date Completed: 12-8-14

Fiscal Analyst: Ellyn Ackerman

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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.