

Senate Bill 714 (as introduced 10-28-21)  
Sponsor: Senator Mike Shirkey  
Senate Committee: Appropriations

Date Completed: 11-2-21

**CONTENT**

The bill reflects proposed behavioral health supplemental funding for fiscal year (FY) 2020-21 and FY 2021-22. The FY 2020-21 supplemental would appropriate \$348.0 million in Federal Coronavirus State Fiscal Recovery Fund dollars to support behavioral health services, including issues related to the proposed behavioral health integration legislation (Senate Bills 597 and 598). The FY 2021-22 supplemental would eliminate all remaining Local match funding (just over \$15.0 million) used to support the Medicaid Mental Health Services line item and replace it with General Fund/General Purpose (GF/GP) revenue. Table 1 summarizes the Gross and GF/GP funding by Department in part 1 of the supplemental.

**Table 1**

<b>Budget Area</b>	<b>Gross</b>	<b>GF/GP</b>
FY 21 Health and Human Services	\$348,000,000	\$0
FY 22 Health and Human Services	0	15,038,700

**FISCAL IMPACT**

The bill provides FY 2020-21 line-item appropriations of \$348.0 billion Gross and Federal and FY 2021-22 line item appropriations of \$0 Gross and \$15.0 million GF/GP. The FY 2020-21 items include a variety of behavioral health capacity expansion and integration transition issues. The FY 2021-22 item reflects the phase-out of Local match funding. A number of the items are conditional appropriations and would take effect only upon passage of Senate Bills 597 and 598. See Table 2 for a list of items funded in the supplemental.

**FY 2021-22 BOILERPLATE LANGUAGE SECTIONS-PART 2**

**Sec. 201. General.** Records amount of total State spending and payments to local units of government.

**Sec. 202. General.** Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

**Sec. 203. General.** Directs that, if the State Administrative Board transfers funds appropriated in the Act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

**Sec. 301. Health and Human Services.** Directs that the adjustments in part 1 (replacing Local match with GF/GP to support the Medicaid Mental Health Services line item) are conditioned on the enactment of both Senate Bill 597 and Senate Bill 598.

## **FY 2020-21 BOILERPLATE LANGUAGE SECTIONS-PART 2A**

**Sec. 1201. General.** Records amount of total State spending and payments to local units of government.

**Sec. 1202. General.** Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

**Sec. 1203. General.** Directs that, if the State Administrative Board transfers funds appropriated in the Act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

**Sec. 1301. Health and Human Services.** Directs that the part 1A funding for Behavioral Health Provider Recruitment be used to make one-time payments of up to \$250,000 to cover the costs of hiring new providers. Designates the part 1A funding as a work project.

**Sec. 1302. Health and Human Services.** Directs that the part 1A appropriation for Clinical Integration Fund be used to provide grants to facilities and providers that integrate their setting with physical and behavioral health services and providers. Designates the part 1A funding as a work project. Bars spending or distributing the funding in the line unless both Senate Bills 597 and 598 are enacted into law.

**Sec. 1303. Health and Human Services.** Directs that the part 1A funding for Community Mental Health Services Program (CMHSP) Integration Readiness be used to support CMHSP efforts to make information technology, staff, and administrative improvements for integration. Designates the part 1A funding as a work project. Bars spending or distributing the funding in the line unless both Senate Bills 597 and 598 are enacted into law.

**Sec. 1304. Health and Human Services.** Directs the Department to use the part 1A funding for Community Substance Use Disorder Prevention, Education, and Treatment Grants to provide funding to entities including private entities that have contracts to provide community-based substance use disorder services. Designates the part 1A funding as a work project.

**Sec. 1305. Health and Human Services.** Directs that the part 1A funding for Crisis Stabilization Units be used to create a one-time grant pool for entities wishing to create crisis stabilization units. Designates the part 1A funding as a work project.

**Sec. 1306. Health and Human Services.** Directs that the part 1A funding for Department of Health and Human Services (DHHS) integration readiness be used to make one-time investments to support implementation of Senate Bills 597 and 598. Designates the part 1A funding as a work project. Bars spending or distributing the funding in the line unless both Senate Bills 597 and 598 are enacted into law.

**Sec. 1307. Health and Human Services.** Directs that the funding in part 1A for Hawthorn Center Expansion be used to support capital improvements to expand capacity at the Hawthorn Center.

**Sec. 1308. Health and Human Services.** Directs that the part 1A funding for Hospital Infrastructure Enhancements be used to create a one-time grant pool. Hospitals would be permitted to apply for grants from the fund to invest in infrastructure to improve care for behavioral health patients who enter the hospital through the emergency department. Designates the part 1A funding as a work project.

**Sec. 1309. Health and Human Services.** Directs that the part 1A funding for Infrastructure Grants to Enhance Pediatric Inpatient Services be used to create a competitive grant program for providers to increase the number of slots in long-term pediatric inpatient facilities by a total of at least 120 slots. Requires a 20.0% match as part of the grant application. Limits the maximum grant to \$25.0 million and requires grants be made to different geographical areas of the State. Designates the part 1A funding as a work project.

**Sec. 1310. Health and Human Services.** Directs that the part 1A funding for Jail Diversion Fund be allocated to the Jail Diversion Fund, which would be administered by the Mental Health Diversion Council. Directs the Council to distribute grants to local entities to establish or expand jail diversion programs, with 50.0% going to community-based mobile crisis intervention services that include full integration with 911 dispatch centers, include both co-responder clinicians and peers, have access to residential treatment facilities, include telehealth response and follow-up services, and employ mental health professionals independent of law enforcement. Directs that the other 50.0% go to pre-arrest or post-arrest diversion programs for individuals with behavioral health needs, with priority given to nonurbanized areas. Allows grant applications to be made by any applicable local entity and must be distributed using a prospective payment model. Directs the DHHS to seek Federal authority under the American Rescue Plan to use enhanced Medicaid matching funds. Requires local entities receiving grants to submit a report containing metrics and requires the Council to compile and provide an annual report to the Legislature. Allows local entities to use a portion of funding to contract with independent entities to create the report. Outlines metrics to be used. Designates the part 1A funding as a work project.

**Sec. 1311. Health and Human Services.** Directs the Department to use the part 1A funding for Mental Health Block Grant to provide funding to entities including private entities that have contracts to provide community-based mental health services. Designates the part 1A funding as a work project.

**Sec. 1312. Health and Human Services.** Directs that the part 1A funding for Michigan Essential Health Provider Loan Repayment Program be used to expand the program to include designated mental health professionals pursuant to Senate Bills 246 and 435. Designates the part 1A funding as a work project. Bars spending or distributing the funding in the line unless both Senate Bills 246 and 435 are enacted into law.

**Sec. 1313. Health and Human Services.** Directs that the part 1A funding for Northern Michigan Psychiatric Hospital Bed Investment be allocated to a nonprofit health care system located in Cheboygan to support at least 12 new psychiatric beds.

**Sec. 1314. Health and Human Services.** Directs that the part 1A funding for Psychiatric Residential Treatment Facilities be used to create a one-time grant pool for entities interested in establishing psychiatric residential treatment facilities as described in the Mental Health Code. Designates the part 1A funding as a work project.

**Sec. 1315. Health and Human Services.** Directs that the part 1A funding for Recovery High Schools and Recovery Community Organizations be used to provide funding to recovery high schools and recovery community organizations. Designates the part 1A funding as a work project.

**Sec. 1316. Health and Human Services.** Directs that the part 1A funding for State Psychiatric Capital Outlay Investment be used to provide financial support at all five State psychiatric hospitals to provide infrastructure improvements. Also permits use of funding for expansion of State psychiatric hospitals.

**Sec. 1317. Health and Human Services.** Directs that the part 1A funding for Child Advocacy Centers be allocated to Child Advocacy Centers based on the Children’s Advocacy Center Act, with \$5.0 million going to investigative assessment, counseling, support, and educational services to victims of child sexual abuse and their families, \$1.0 million going to provide training related to child sexual abuse for personnel employed or retained by Child Advocacy Centers, and \$2.0 million going to improve the detection, investigation, treatment, and prevention of child sexual abuse through the coordinated activities of Child Advocacy Centers, medical providers, crime victim organizations, and law enforcement. Designates the part 1A funding as a work project.

**Table 2**

<b>Department/Program</b>	<b>Gross</b>	<b>Federal</b>	<b>Local</b>	<b>GF/GP</b>
<b>FY 2020-21 Health and Human Services</b>				
Behavioral health provider recruitment	\$15,000,000	\$15,000,000	\$0	\$0
Child advocacy centers	8,000,000	8,000,000	0	0
Clinical integration fund	25,000,000	25,000,000	0	0
Community mental health integration readiness	50,000,000	50,000,000	0	0
Community substance use disorder grants	10,000,000	10,000,000	0	0
Crisis stabilization units	10,000,000	10,000,000	0	0
DHHS integration readiness	10,000,000	10,000,000	0	0
Greenlawn enhancements	3,000,000	3,000,000	0	0
Hawthorn Center expansion	5,000,000	5,000,000	0	0
Hospital infrastructure enhancements	20,000,000	20,000,000	0	0
Infrastructure grants for pediatric inpatient svcs	100,000,000	100,000,000	0	0
Jail diversion fund	15,000,000	15,000,000	0	0
Mental health block grant	10,000,000	10,000,000	0	0
Michigan essential health provider program	25,000,000	25,000,000	0	0
Northern Michigan psychiatric hospital beds	5,000,000	5,000,000	0	0
Psychiatric residential treatment facilities	10,000,000	10,000,000	0	0
Recovery high schools and community orgs.	2,000,000	2,000,000	0	0
State psychiatric capital outlay	<u>25,000,000</u>	<u>25,000,000</u>	<u>0</u>	<u>0</u>
<b>Total FY 21 Health and Human Services</b>	<b>\$348,000,000</b>	<b>\$348,000,000</b>	<b>\$0</b>	<b>\$0</b>
<b>FY 2021-22 Health and Human Services</b>				
Replace remaining Medicaid MH Local match	\$0	\$0	\$(15,038,700)	\$15,038,700
<b>Total FY 22 Health and Human Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$(15,038,700)</b>	<b>\$15,038,700</b>

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