

**SUBSTITUTE FOR  
SENATE BILL NO. 713**

A bill to amend 1974 PA 258, entitled  
"Mental health code,"  
by amending section 226 (MCL 330.1226), as amended by 2009 PA 103.

**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

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

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

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

1 (d) Submit the needs assessment, annual plan, and request for  
2 new funds to the department by the date specified by the  
3 department. The submission constitutes the community mental health  
4 services program's official application for new state funds.

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

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

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

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

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

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

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

1           (l) Establish general policy guidelines within which the  
2 executive director shall execute the community mental health  
3 services program.

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

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

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

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

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

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

25           (c) Carry forward the operating margin up to 5% of the  
26 community mental health services program's state share of the  
27 operating budget for the fiscal years ending September 30, 2009,

1 2010, and 2011. As used in this subdivision, "operating margin"  
2 means the excess of state revenue over state expenditures for a  
3 single fiscal year exclusive of capitated payments under a managed  
4 care system. In the case of a community mental health authority,  
5 this carryforward is in addition to the reserve accounts described  
6 in section 205(4)(h).

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

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

14 **(F) ENTER INTO AGREEMENTS WITH OTHER PROVIDERS OR MANAGERS OF**  
15 **HEALTH CARE OR REHABILITATIVE SERVICES TO FOSTER INTERAGENCY**  
16 **COMMUNICATION, COOPERATION, COORDINATION, AND CONSULTATION. A**  
17 **COMMUNITY MENTAL HEALTH SERVICES PROGRAM'S ACTIVITIES UNDER AN**  
18 **AGREEMENT UNDER THIS SUBDIVISION SHALL BE CONSISTENT WITH THE**  
19 **PROVISIONS OF SECTION 206.**

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

24 (4) A community mental health services program that has  
25 provided assisted outpatient treatment services during a fiscal  
26 year may be eligible for reimbursement if an appropriation is made  
27 for assisted outpatient treatment services for that fiscal year.

Senate Bill No. 713 (S-1) as amended June 4, 2014

1 The reimbursement described in this subsection is in addition to  
2 any funds that the community mental health services program is  
3 otherwise eligible to receive for providing assisted outpatient  
4 treatment services.

[Enacting section 1. This amendatory act takes effect 90 days after  
the date it is enacted into law.]