HOUSE BILL NO. 4577

May 16, 2023, Introduced by Rep. VanderWall and referred to the Committee on Health Policy.

A bill to amend 1974 PA 258, entitled "Mental health code,"

by amending sections 100a, 100d, 116, 153, 165, 202, 206, 207, 207a, 208, 209a, 209b, 210, 226, 227, 269, 270, 271, 273, 274, 275, 287, 409, 705, 713, 748, 752, 754, 755, and 972 (MCL 330.1100a, 330.1100d, 330.1116, 330.1153, 330.1165, 330.1202, 330.1206, 330.1207, 330.1207a, 330.1208, 330.1209a, 330.1209b, 330.1210, 330.1226, 330.1227, 330.1269, 330.1270, 330.1271, 330.1273, 330.1274, 330.1275, 330.1287, 330.1409, 330.1705, 330.1713, 330.1748, 330.1752, 330.1754, 330.1755, and 330.1972), section 100a as amended and section 972 as added by 2020 PA 402, sections 100d and 409 as amended by 2022 PA 214, section 116 as amended by 1998 PA 67, sections 153, 206, 209a, 209b, and 752 as amended and sections 207, 227, 705, 713, and 755 as added by 1995 PA 290, section 165 as amended by 2021 PA 22, section 202 as amended by 2016 PA 320, section 207a as added by 2014 PA 28, sections 208 and 210 as amended and sections 269, 270, 271, 273, 274, 275, and 287 as added by 2012 PA 500, section 226 as amended by 2014 PA 266, section 748 as amended by 2016 PA 559, and section 754 as amended by 2006 PA 604, and by adding sections 203, 760, 761, and 762.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 100a. (1) "Abilities" means the qualities, skills, and
 competencies of an individual that reflect the individual's talents
 and acquired proficiencies.

(2) "Abuse" means nonaccidental physical or emotional harm to 4 5 a recipient, or sexual contact with or sexual penetration of a recipient as those terms are defined in section 520a of the 6 7 Michigan penal code, 1931 PA 328, MCL 750.520a, that is committed by an employee or volunteer of the department, a community mental 8 9 health services program, or a licensed hospital or by an employee 10 or volunteer of a service provider under contract with the 11 department, community mental health services program, or licensed 12 hospital.

13 (3) "Adaptive skills" means skills in 1 or more of the 14 following areas:

- 15 (a) Communication.
- 16 (b) Self-care.

- 1 (c) Home living.
- 2 (d) Social skills.
- 3 (e) Community use.
- 4 (f) Self-direction.
- 5 (g) Health and safety.
- 6 (h) Functional academics.
- 7 (i) Leisure.
- **8** (j) Work.

9 (4) "Adult foster care facility" means an adult foster care
10 facility licensed under the adult foster care facility licensing
11 act, 1979 PA 218, MCL 400.701 to 400.737.

12 (5) "Alcohol and drug abuse counseling" means the act of 13 counseling, modification of substance use disorder related 14 behavior, and prevention techniques for individuals with substance 15 use disorder, their significant others, and individuals who could 16 potentially develop a substance use disorder.

17 (6) "Applicant" means an individual or his or her legal18 representative who makes a request for mental health services.

19 (7) "Approved service program" means a substance use disorder 20 services program licensed under part 62 of the public health code, 21 1978 PA 368, MCL 333.6230 to 333.6251, to provide substance use 22 disorder treatment and rehabilitation services by the department-23 designated community mental health entity and approved by the 24 federal government to deliver a service or combination of services 25 for the treatment of incapacitated individuals.

26 (8) "Assisted outpatient treatment" or "AOT" means the
27 categories of outpatient services ordered by the court under
28 section 468 or 469a. Assisted outpatient treatment may include a
29 case management plan and case management services to provide care

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coordination under the supervision of a psychiatrist and developed 1 in accordance with person-centered planning under section 712. 2 Assisted outpatient treatment may also include 1 or more of the 3 following categories of services: medication; periodic blood tests 4 5 or urinalysis to determine compliance with prescribed medications; 6 individual or group therapy; day or partial day programming 7 activities; vocational, educational, or self-help training or 8 activities; assertive community treatment team services; alcohol or 9 substance use disorder treatment and counseling and periodic tests 10 for the presence of alcohol or illegal drugs for an individual with 11 a history of alcohol abuse or substance use disorder; supervision 12 of living arrangements; and any other services within a local or unified services plan developed under this act that are prescribed 13 14 to treat the individual's mental illness and to assist the 15 individual in living and functioning in the community or to attempt 16 to prevent a relapse or deterioration that may reasonably be predicted to result in suicide, the need for hospitalization, or 17 serious violent behavior. The medical review and direction included 18 19 in an assisted outpatient treatment plan shall be provided under 20 the supervision of a psychiatrist.

21 (9) "Board" means the governing body of a community mental22 health services program.

23 (10) "Board of commissioners" means a county board of24 commissioners.

(11) "Center" means a facility operated by the department to
admit individuals with developmental disabilities and provide
habilitation and treatment services.

28 (12) "Certification" means formal approval of a program by the29 department in accordance with standards developed or approved by

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1 the department.

2 (13) "Child abuse" and "child neglect" mean those terms as
3 defined in section 2 of the child protection law, 1975 PA 238, MCL
4 722.622.

5 (14) "Child and adolescent psychiatrist" means 1 or more of 6 the following:

7 (a) A physician who has completed a residency program in child
8 and adolescent psychiatry approved by the Accreditation Council for
9 Graduate Medical Education or the American Osteopathic Association,
10 or who has completed 12 months of child and adolescent psychiatric
11 rotation and is enrolled in an approved residency program as
12 described in this subsection.

(b) A psychiatrist employed by or under contract as a child and adolescent psychiatrist with the department or a community mental health services program on March 28, 1996, who has education and clinical experience in the evaluation and treatment of children or adolescents with serious emotional disturbance.

18 (c) A psychiatrist who has education and clinical experience
19 in the evaluation and treatment of children or adolescents with
20 serious emotional disturbance who is approved by the director.

(15) "Children's diagnostic and treatment service" means a program operated by or under contract with a community mental health services program, that provides examination, evaluation, and referrals for minors, including emergency referrals, that provides or facilitates treatment for minors, and that has been certified by the department.

27 (16) "Community mental health authority" means a separate
28 legal public governmental entity created under section 205 to
29 operate as a community mental health services program.

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(17) "Community mental health organization" means a community
 mental health services program that is organized under the urban
 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
 124.512.

5 (18) "Community mental health services program" means a
6 program operated under chapter 2 as a county community mental
7 health agency, a community mental health authority, or a community
8 mental health organization.

9 (19) "Consent" means a written agreement executed by a 10 recipient, a minor recipient's parent, a recipient's legal 11 representative with authority to execute a consent, or a full or 12 limited guardian authorized under the estates and protected individuals code, 1998 PA 386, MCL 700.1101 to 700.8206, with the 13 14 authority to consent, or a verbal agreement of a recipient that is 15 witnessed and documented by an individual other than the individual 16 providing treatment.

17 (20) "Contracted entity" means a contracted health plan or a18 single statewide entity.

19 (21) "Contracted health plan" means that term as defined in
20 section 106 of the social welfare act, 1939 PA 280, MCL 400.106.

(22) (20)—"County community mental health agency" means an official county or multicounty agency created under section 210 that operates as a community mental health services program and that has not elected to become a community mental health authority or a community mental health organization.

(23) (21) "Crisis stabilization unit" means a prescreening
unit established under section 409 or a facility certified under
chapter 9A that provides unscheduled clinical services designed to
prevent or ameliorate a behavioral health crisis or reduce acute

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symptoms on an immediate, intensive, and time-limited basis in
 response to a crisis situation.

3 (24) (22) "Department" means the department of health and 4 human services.

(25) (23)—"Department-designated community mental health 5 6 entity" means the community mental health authority, community 7 mental health organization, community mental health services 8 program, county community mental health agency, or community mental 9 health regional entity designated by the department to represent a 10 region of community mental health authorities, community mental 11 health organizations, community mental health services programs, or 12 county community mental health agencies.

13 (26) (24)—"Dependent living setting" means all of the 14 following:

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(a) An adult foster care facility.

(b) A nursing home licensed under part 217 of the publichealth code, 1978 PA 368, MCL 333.21701 to 333.21799e.

18 (c) A home for the aged licensed under part 213 of the public19 health code, 1978 PA 368, MCL 333.21301 to 333.21335.

20 (27) (25)—"Designated representative" means any of the 21 following:

(a) A registered nurse or licensed practical nurse licensed or
otherwise authorized under part 172 of the public health code, 1978
PA 368, MCL 333.17201 to 333.17242.

(b) A paramedic licensed or otherwise authorized under part
209 of the public health code, 1978 PA 368, MCL 333.20901 to
333.20979.

(c) A physician's assistant licensed or otherwise authorizedunder part 170 or 175 of the public health code, 1978 PA 368, MCL

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1 333.17001 to 333.17097 and 333.17501 to 333.17556.

2 (d) An individual qualified by education, training, and
3 experience who performs acts, tasks, or functions under the
4 supervision of a physician.

5 (28) (26)—"Developmental disability" means either of the 6 following:

7 (a) If applied to an individual older than 5 years of age, a
8 severe, chronic condition that meets all of the following
9 requirements:

10 (i) Is attributable to a mental or physical impairment or a11 combination of mental and physical impairments.

12 (*ii*) Is manifested before the individual is 22 years old.

13 (*iii*) Is likely to continue indefinitely.

14 (*iv*) Results in substantial functional limitations in 3 or more 15 of the following areas of major life activity:

- 16 (A) Self-care.
- 17 (B) Receptive and expressive language.
- 18 (C) Learning.
- (D) Mobility.
- 20 (E) Self-direction.
- 21 (F) Capacity for independent living.
- 22 (G) Economic self-sufficiency.

(v) Reflects the individual's need for a combination and
sequence of special, interdisciplinary, or generic care, treatment,
or other services that are of lifelong or extended duration and are
individually planned and coordinated.

27 (b) If applied to a minor from birth to 5 years of age, a
28 substantial developmental delay or a specific congenital or
29 acquired condition with a high probability of resulting in

developmental disability as defined in subdivision (a) if services
 are not provided.

3 (29) (27)—"Director" means the director of the department or
4 his or her designee.

5 (30) (28) "Discharge" means an absolute, unconditional release
6 of an individual from a facility by action of the facility or a
7 court.

8 (31) (29) "Eligible minor" means an individual less than 18
9 years of age who is recommended in the written report of a
10 multidisciplinary team under rules promulgated by the department of
11 education to be classified as 1 of the following:

12 (a) Severely mentally impaired.

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(b) Severely multiply impaired.

14 (c) Autistic impaired and receiving special education services 15 in a program designed for the autistic impaired under R 340.1758 of 16 the Michigan Administrative Code or in a program designed for the 17 severely mentally impaired or severely multiply impaired.

18 (32) (30) "Emergency situation" means a situation in which an 19 individual is experiencing a serious mental illness or a 20 developmental disability, or a minor is experiencing a serious 21 emotional disturbance, and 1 of the following applies:

(a) The individual can reasonably be expected within the near
future to physically injure himself, herself, or another
individual, either intentionally or unintentionally.

(b) The individual is unable to provide himself or herself
food, clothing, or shelter or to attend to basic physical
activities such as eating, toileting, bathing, grooming, dressing,
or ambulating, and this inability may lead in the near future to
harm to the individual or to another individual.

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(c) The individual has mental illness that has impaired his or
 her judgment so that the individual is unable to understand his or
 her need for treatment and presents a risk of harm.

4 (33) (31) "Executive director" means an individual appointed
5 under section 226 to direct a community mental health services
6 program or his or her designee.

7 Sec. 100d. (1) "Security transport officer" means an officer
8 employed by a private security company under contract with a county
9 under section 170.

10 (2) "Service" means a mental health service or a substance use 11 disorder service.

12 (3) "Serious emotional disturbance" means a diagnosable mental, behavioral, or emotional disorder affecting a minor that 13 14 exists or has existed during the past year for a period of time 15 sufficient to meet diagnostic criteria specified in the most recent 16 Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association and approved by the department 17 18 and that has resulted in functional impairment that substantially 19 interferes with or limits the minor's role or functioning in 20 family, school, or community activities. The following disorders 21 are included only if they occur in conjunction with another diagnosable serious emotional disturbance: 22

23 (a) A substance use disorder.

24 (b) A developmental disorder.

25 (c) "V" codes in the Diagnostic and Statistical Manual of26 Mental Disorders.

27 (4) "Serious mental illness" means a diagnosable mental,
28 behavioral, or emotional disorder affecting an adult that exists or
29 has existed within the past year for a period of time sufficient to

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meet diagnostic criteria specified in the most recent Diagnostic 1 and Statistical Manual of Mental Disorders published by the 2 American Psychiatric Association and approved by the department and 3 that has resulted in functional impairment that substantially 4 5 interferes with or limits 1 or more major life activities. Serious 6 mental illness includes dementia with delusions, dementia with 7 depressed mood, and dementia with behavioral disturbance. Serious 8 mental illness does not include any other dementia unless the 9 dementia occurs in conjunction with another diagnosable serious 10 mental illness. The following disorders also are included only if 11 they occur in conjunction with another diagnosable serious mental 12 illness:

13 (a) A substance use disorder.

14 (b) A developmental disorder.

15 (c) A "V" code in the Diagnostic and Statistical Manual of16 Mental Disorders.

17 (5) "Single statewide entity" means an entity that meets all 18 of the requirements in section 109f(1)(a) to (e) of the social 19 welfare act, 1939 PA 280, MCL 400.109f, and holds a contract with 20 the department.

(6) (5)—"Special compensation" means payment to an adult foster care facility to ensure the provision of a specialized program in addition to the basic payment for adult foster care. Special compensation does not include payment received directly from the Medicaid program for personal care services for a resident, or payment received under the supplemental security income program.

28 (7) (6)—"Specialized program" means a program of services,
29 supports, or treatment that are provided in an adult foster care

1 facility to meet the unique programmatic needs of individuals with 2 serious mental illness or developmental disability as set forth in 3 the resident's individual plan of services and for which the adult 4 foster care facility receives special compensation.

(8) (7)—"Specialized residential service" means a combination
of residential care and mental health services that are expressly
designed to provide rehabilitation and therapy to a recipient, that
are provided in the recipient's residence, and that are part of a
comprehensive individual plan of services.

10 (9) (8)—"State administered funds" means revenues appropriated 11 by the legislature exclusively for the purposes provided for in 12 regard to substance use disorder services and prevention.

13 (10) (9)—"State facility" means a center or a hospital
14 operated by the department.

(11) (10) "State recipient rights advisory committee" means a committee appointed by the director under section 756 to advise the director and the director of the department's office of recipient rights.

(12) (11) "Substance abuse" means the taking of alcohol or other drugs at dosages that place an individual's social, economic, psychological, and physical welfare in potential hazard or to the extent that an individual loses the power of self-control as a result of the use of alcohol or drugs, or while habitually under the influence of alcohol or drugs, endangers public health, morals, safety, or welfare, or a combination thereof.

(13) (12) "Substance use disorder" means chronic disorder in
which repeated use of alcohol, drugs, or both, results in
significant and adverse consequences. Substance use disorder
includes substance abuse.

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(14) (13) "Substance use disorder prevention services" means 1 services that are intended to reduce the consequences of substance 2 use disorders in communities by preventing or delaying the onset of 3 substance abuse and that are intended to reduce the progression of 4 substance use disorders in individuals. Substance use disorder 5 6 prevention is an ordered set of steps that promotes individual, 7 family, and community health, prevents mental and behavioral 8 disorders, supports resilience and recovery, and reinforces 9 treatment principles to prevent relapse.

10 (15) (14) "Substance use disorder treatment and rehabilitation 11 services" means providing identifiable recovery-oriented services 12 including the following:

13 (a) Early intervention and crisis intervention counseling
14 services for individuals who are current or former individuals with
15 substance use disorder.

16 (b) Referral services for individuals with substance use17 disorder, their families, and the general public.

18 (c) Planned treatment services, including chemotherapy,
19 counseling, or rehabilitation for individuals physiologically or
20 psychologically dependent upon or abusing alcohol or drugs.

(16) (15) "Supplemental security income" means the program
authorized under title XVI of the social security act, 42 USC 1381
to 1383f.

(17) (16) "Telemedicine" means the use of an electronic media
to link patients with health care professionals in different
locations. To be considered telemedicine under this section, the
health care professional must be able to examine the patient via a
health insurance portability and accountability act of 1996, Public
Law 104-191 compliant, secure interactive audio or video, or both,

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1 telecommunications system, or through the use of store and forward 2 online messaging.

3 (18) (17) "Transfer facility" means a facility selected by the
4 department-designated community mental health entity, which
5 facility is physically located in a jail or lockup and is staffed
6 by at least 1 designated representative when in use according to
7 chapter 2A.

8 (19) (18) "Transition services" means a coordinated set of
9 activities for a special education student designed within an
10 outcome-oriented process that promotes movement from school to
11 postschool activities, including postsecondary education,
12 vocational training, integrated employment including supported
13 employment, continuing and adult education, adult services,
14 independent living, or community participation.

(20) (19) "Treatment" means care, diagnostic, and therapeutic services, including administration of drugs, and any other service for treatment of an individual's serious mental illness, serious emotional disturbance, or substance use disorder.

19 (21) (20)—"Urgent situation" means a situation in which an 20 individual is determined to be at risk of experiencing an emergency 21 situation in the near future if he or she does not receive care, 22 treatment, or support services.

(22) (21) "Wraparound services" means an individually designed
set of services provided to minors with serious emotional
disturbance or serious mental illness and their families that
includes treatment services and personal support services or any
other supports necessary to foster education preparedness,
employability, and preservation of the child in the family home.
Wraparound services are to be developed through an interagency

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collaborative approach and a minor's parent or guardian and a minor
 age 14 or older are to participate in planning the services.

Sec. 116. (1) Consistent with section 51 of article IV of the 3 state constitution of 1963, which declares that the health of the 4 5 people of the state is a matter of primary public concern, and as 6 required by section 8 of article VIII of the state constitution of 7 1963, which declares that services for the care, treatment, 8 education, or rehabilitation of those who are seriously mentally 9 disabled shall always be fostered and supported, the department 10 shall continually and diligently endeavor to ensure that adequate 11 and appropriate mental health services are available to all citizens throughout the state. To this end, the department shall 12 have has the general powers and duties described in this section. 13

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(2) The department shall do all of the following:

15 (a) Direct services to individuals who have a serious mental illness, **intellectual or** developmental disability, or serious 16 emotional disturbance, or substance use disorder. The department 17 18 shall give priority to the following services:must prioritize 19 services for individuals with the most severe forms of these 20 conditions and individuals with these conditions who are in urgent, crisis, or emergency situations. The department may promulgate 21 22 rules to administer this section and further describe priority 23 populations to be served.

24 (i) Services for individuals with the most severe forms of
 25 serious mental illness, serious emotional disturbance, or
 26 developmental disability.
 27 (ii) Services for individuals with serious mental illness,

28 serious emotional disturbance, or developmental disability who are
 29 in urgent or emergency situations.

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(b) Administer the provisions of chapter 2 so as to promote 1 2 and maintain an adequate and appropriate system of community mental 3 health services programs throughout the state. In the administration of chapter 2, it shall be the department's objective 4 5 of the department is to shift primary responsibility for the direct 6 delivery of public mental health services from the state to a 7 community mental health services program whenever the community 8 mental health services program has demonstrated a willingness and 9 capacity to provide an adequate and appropriate system of mental 10 health services for the citizens of that service area. Not later 11 than 2 years after the effective date of the amendatory act that 12 added this sentence, the department must contract with contracted health plans for financial and service delivery management of 13 14 Medicaid-funded behavioral health services for the populations that 15 are specified in section 109f of the social welfare act, 1939 PA 16 280, MCL 400.109f. Additionally, not later than 2 years after the effective date that added this sentence, the department must 17 18 contract with a single statewide entity for financial and service 19 delivery management of Medicaid-funded and non-Medicaid-funded 20 behavioral health services for the populations that are specified in section 109f of the social welfare act, 1939 PA 280, MCL 21 22 400.109f. The contracted health plans must contract with the 23 community mental health services program, consistent with this 24 subdivision, to ensure an adequate and appropriate system of mental 25 health services is provided.

(c) Engage in planning for the purpose of identifying,
assessing, and enunciating the mental health needs of the state.
(d) Submit to the members of the house and senate standing
committees and appropriation subcommittees with legislative

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oversight of mental health matters an annual report summarizing its 1 assessment of the mental health needs of the this state and 2 incorporating information received from community mental health 3 services programs under section 226 and contracted entity under 4 section 109f of the social welfare act, 1939 PA 280, MCL 400.109f. 5 6 The report shall must include an estimate of the cost of meeting 7 all identified needs. Additional information shall be made 8 available to the legislature upon request.

9 (e) Endeavor to develop and establish arrangements and
10 procedures for the effective coordination and integration of all
11 public mental health services, and for effective cooperation
12 between public and nonpublic services, for the purpose of providing
13 a unified system of statewide mental health care.

(f) Review and evaluate the relevance, quality, effectiveness, and efficiency of mental health services being provided by the department and assure ensure the review and evaluation of mental health services provided by community mental health services programs and contracted - entities. The department shall establish and implement a structured system to provide data necessary for the reviews and evaluations.

(g) Implement those provisions of law under which it is
responsible for the licensing or certification of mental health
facilities or services.

(h) Establish standards of training and experience for
executive directors of community mental health services programs.

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(i) Support research activities.

27 (j) Support evaluation and quality improvement activities.

28 (k) Support training, consultation, and technical assistance29 regarding mental health programs and services and appropriate

prevention and mental health promotion activities, including those that are culturally sensitive, to employees of the department, community mental health services programs, and other nonprofit agencies providing mental health services under contract with community mental health services programs.

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(l) Support multicultural services.

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(3) The department may do all of the following:

8 (a) Direct services to individuals who have mental disorders 9 that meet diagnostic criteria specified in the most recent 10 diagnostic and statistical manual of mental health disorders 11 published by the American psychiatric association Psychiatric 12 Association and approved by the department and to the prevention of 13 mental disability and the promotion of mental health. Resources 14 that have been specifically appropriated for services to 15 individuals with dementia, alcoholism, or substance abuse, -use 16 disorder, or for the prevention of mental disability and the 17 promotion of mental health shall be utilized for those specific 18 purposes.

(b) Provide, on a residential or nonresidential basis, any
type of patient or client service including but not limited to
prevention, diagnosis, treatment, care, education, training, and
rehabilitation.

23 (c) Operate mental health programs or facilities directly or24 through contractual arrangement.

(d) Institute pilot projects considered appropriate by the
director to test new models and concepts in service delivery or
mental health administration. Pilot projects may include, but need
not be limited to, both of the following:

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(i) Issuance of a voucher to a recipient of public mental

health services in accordance with the recipient's individual plan
 of services and guidelines developed by the department.

3 (ii) Establishment of revolving loans to assist recipients of 4 public mental health services to acquire or maintain affordable 5 housing. Funding under this subparagraph shall only be provided 6 through an agreement with a nonprofit fiduciary in accordance with 7 guidelines and procedures developed by the department related to 8 the use, issuance, and accountability of revolving loans used for 9 recipient housing.

10 (e) Enter into an agreement, contract, or arrangement with any 11 individual or public or nonpublic entity that is necessary or 12 appropriate to fulfill those duties or exercise those powers that 13 have by statute been given to the department.

(f) Accept gifts, grants, bequests, and other donations for use in performing its functions. Any money or property accepted shall must be used as directed by its donor and in accordance with law and the rules and procedures of the department.

18 (g) The department has Use any other power necessary or 19 appropriate to fulfill those duties and exercise those powers that 20 have been given to the department by law and that are not otherwise 21 prohibited by law.

22 (4) As provided in section 109f of the social welfare act, the 23 department must contract with contracted entities, for the 24 financial and service delivery management of behavioral health 25 services. Through the duration of the contract period, the 26 department must provide operational oversight of these entities 27 through contract, policy, administrative rules, or other authorized means. This includes, but is not limited to, all of the following: 28 29 (a) Develop a comprehensive plan for monitoring the

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1 performance of the contracted entities that includes data on
2 service authorizations, individual outcomes, appeals, outreach and
3 accessibility, and comments from program participants and community
4 partners including, but not limited to, health systems, primary
5 care providers, representatives from the criminal justice system,
6 and education compiled from written surveys and face-to-face
7 interviews.

8 (b) Establish policies to ensure coordination of behavioral9 health benefits with other benefits received under Medicaid.

10 (c) Develop standardized consumer and provider appeal 11 procedures. These procedures must include, but are not limited to, procedures for consumers and providers, including a primary care 12 13 physician, acting on behalf of a consumer to appeal a denial or 14 determination. The department must establish time frames for 15 determinations and appeals, including expedited reviews in emergency situations. Any procedure for appeals shall require that 16 17 an appeal be heard not later than 30 days after the appeal is filed 18 and must be decided not later than 45 days after the appeal is 19 filed. This subdivision does not prohibit any other right of appeal 20 provided under state or federal law.

21 (5) The department must develop equitable behavioral health 22 reimbursement policies, procedures, and rates necessary to ensure 23 an adequate network of providers and services across the state in 24 accordance with state and federal requirements. The department 25 shall utilize payment models that promote value over volume, 26 including, but not limited to, funding certified community 27 behavioral health clinics and Medicaid health homes, and must apply 28 for all applicable federal and private funding opportunities, seek 29 appropriate changes or waivers to the Medicaid state plan, and

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apply for any necessary waivers and approvals from the Centers for
 Medicare and Medicaid Services or any other appropriate federal
 agency of the United States Department of Health and Human Services
 to effectuate the provisions of this subsection and maximize state
 general fund investments.

6 (6) To promote self-directed services, the department must do7 the following:

8 (a) Contract with a contractor or subject matter expert that 9 has experience and expertise in the management of self-10 determination contracts between an individual served and a 11 contracted entity to ensure network adequacy, equitable access, and 12 choice of self-directed services consistent with guidelines 13 established by the department.

14 (b) Provide technical assistance for self-directed service15 programs.

16 (c) Measure the performance of contracted entities and the 17 self-determination contracts between the individual served and the 18 financial services manager as effective options for self-directed 19 services.

(d) Annually evaluate and assess self-directed services
implemented by the contracted entity and the contractor managing
the self-determination contract between the individual served and
the financial services manager to ensure the self-directed services
are provided in accordance with department policies.

25 (7) The department may promulgate rules and establish Medicaid
26 policy to carry out the duties established under this section.
27 Sec. 153. (1) Subject to section 114a, the department shall
28 must promulgate rules for the placement of adults who have serious

29 mental illness or developmental disability into community based

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dependent living settings by department agencies, community mental health services programs, and by agencies under contract to the department, or to a community mental health services program, or a contracted entity. The rules shall must include, but not be limited to, the criteria to be used to determine a suitable placement and the specific agencies responsible for making decisions regarding a placement.

8 (2) Subject to section 114a, the department shall must 9 promulgate rules for the certification of specialized programs 10 offered in an adult foster care facility to individuals with 11 serious mental illness or developmental disability. The rules shall 12 must provide for an administrative appeal to the department of a 13 denial or limitation of the terms of certification under chapter 4 14 of the administrative procedures act of 1969, Act No. 306 of the 15 Public Acts of 1969, being sections 24.271 to 24.287 of the 16 Michigan Compiled Laws. 1969 PA 306, MCL 24.271 to 24.288.

17 (3) Upon receipt of a request from an adult foster care 18 facility for certification of a specialized program, the department shall must inspect the facility to determine whether the proposed 19 20 specialized program conforms with the requirements of this section 21 and rules promulgated under this section. The department shall must 22 provide the department of social services with an inspection report 23 and a certification, denial of certification, revocation, or 24 certification with limited terms for the proposed specialized 25 program. The department shall must reinspect a certified 26 specialized program not less than once biennially and notify the 27 department of social services make notification in the same manner as for the initial certification. In carrying out this subsection, 28 29 the department may contract with a community mental health services

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program, a contracted entity, or any other agency.

2 (4) This section does not prevent licensure of an adult foster
3 care facility or the placement of individuals with serious mental
4 illness or developmental disability into community based dependent
5 living settings pending the promulgation by the department of rules
6 under subsection (1) or (2).

7 Sec. 165. (1) Subject to appropriation, the department shall
8 establish and make available to the public a mental health
9 telephone access line known as the Michigan crisis and access line.

10 (2) The department shall contract for the design, operation, 11 and maintenance of the access line. The access line must be 12 available 24 hours a day, 7 days a week. A contractor operating or 13 maintaining the access line shall must do all of the following:

14 (a) Have the ability to access information related to the
15 availability of services, including near real-time access to any
16 registry of available inpatient psychiatric beds, crisis
17 residential beds, and substance use disorder beds.

(b) Refer and connect individuals requiring mental health or substance use disorder services to mental health professionals, including, but not limited to, community mental health services programs, and prepaid inpatient health plans, and contracted entities, using telecommunications and digital communications methods commonly in use, such as a telephone call, text message, electronic mail, email, and internet chat.

25 (c) Implement practices to comply with all applicable laws26 respecting individual and patient privacy.

27 (d) Implement practices to ensure the security of the data
28 collected, in line with industry best practices and in compliance
29 with all applicable laws.

(e) Notwithstanding subdivisions (c) and (d), collect data and
 utilize data analytics to track the success of the access line's
 operations and identify trends in service needs and outcomes.

4 (f) Develop and utilize a customer relationship management
5 infrastructure for the access line to track, monitor, assign,
6 follow up, and report on access line operations. This customer
7 relationship management infrastructure must provide appropriate
8 community and provider access.

9 (g) Require contractors maintaining the access line to inform
10 individuals seeking behavioral health care that bed registry data
11 may not be accurate and bed availability is not guaranteed.

12 (3) The department of licensing and regulatory affairs shall provide behavioral health provider licensure data to the 13 14 department. The department may use this data and work with the 15 contractor described in subsection (2) to leverage existing 16 databases and other sources of information identifying mental 17 health professionals providing mental health services and providers of substance use disorder treatment and rehabilitation services and 18 19 to utilize the most current provider information available.

20 (4) The department has operational oversight for, including 21 access to and utilization of, the customer relationship management 22 infrastructure. Community mental health services programs and 23 prepaid inpatient health plans may access the customer relationship 24 management infrastructure.

25 (5) The access line must be able to support calls relating to26 services and supports described in section 206.

27 (6) An individual operating or maintaining the access line
28 under contract with the department has the same immunity provided
29 for a governmental employee under section 7 of 1964 PA 170, MCL

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2 (7) A state-operated registry of available inpatient
3 psychiatric beds, crisis residential beds, or substance use
4 disorder beds must report all data collected for that registry to
5 the department or the entity operating or maintaining the access
6 line under contract with the department.

7 (8) A health facility, health professional, or contractor
8 shall not be held civilly or criminally liable for inaccurate
9 registry data that is shared under this section.

Sec. 202. (1) The state shall must financially support, in accordance with chapter 3, community mental health services programs and contracted entities that have been established and that are administered according to the provisions of this chapter.

14 (2) A community mental health services program shall or a 15 contracted entity, whichever is applicable, must determine an 16 individual's eligibility for a private health insurer, Medicaid, or 17 Medicare and shall must bill the private health insurer, Medicaid, 18 or Medicare first before expending money from the state general 19 fund for providing treatment and services under this act to that 20 individual.

21 Sec. 203. The contracted entity is not responsible for the 22 duties set forth in this chapter until the date specified in the 23 contract entered into with the department. As of the date 24 determined in the contract with the department, the contracted 25 entity must take over the administrative and management functions 26 set forth in this chapter and the community mental health services 27 program is responsible only for providing services, unless other 28 functions are determined by the department, or accounted for in 29 delegated contract arrangements with the contracted entity, as

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1 considered acceptable by the department.

Sec. 206. (1) The purpose of a community mental health
services program shall be is to provide a comprehensive array of
mental health services appropriate to conditions of individuals who
are located within its geographic service area, regardless of an
individual's ability to pay. The array of mental health services
shall must include, at a minimum, all of the following:

8 (a) Crisis stabilization and response including a 24-hour, 9 Twenty-four-hour, 7-day per week, crisis emergency service that is 10 prepared to respond to persons individuals experiencing acute 11 emotional, behavioral, or social dysfunctions, and the provision of providing inpatient or other protective environment for treatment 12 13 provided by the department, community mental health services 14 programs, or approved service programs. These services must 15 include, but are not limited to, the following:

(i) Coordination with the Michigan crisis and access line. The
Michigan crisis and access line shall serve as the statewide crisis
and access line accepting all calls and dispatching support based
on the assessed need of the caller.

(*ii*) Providing, either directly or by contract, crisis
intervention and stabilization services, such as mobile crisis
teams or acceptable alternatives as determined by the department,
to any individual in need of these services from any referral
source, including, but not limited to, the Michigan crisis and
access line.

26 (*iii*) Providing, either directly or by contract, crisis
27 stabilization units that serve everyone in need from all referral
28 sources, including the Michigan crisis and access line.

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(b) Identification, assessment, and diagnosis to determine the

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specific needs of the recipient and to develop an individual plan
 of services.

3 (c) Planning, linking, coordinating, follow-up, and monitoring
4 to assist the recipient individual in gaining access to
5 services.case management, that the department must ensure is being
6 coordinated with all health care providers and entities that
7 provide or pay for other services and supports for the individual.

8 (d) Specialized mental health recipient training, treatment,
9 and support, including therapeutic clinical interactions,
10 socialization and adaptive skill and coping skill training, health
11 and rehabilitative services, and pre-vocational and vocational
12 services.

13 (e) Recipient rights services.

14 (f) Mental health advocacy.

(g) Prevention activities that serve to inform and educate
with the intent of reducing the risk of severe recipient
dysfunction.

18

(h) Any other service approved by the department.

19 (2) Services shall must promote the best interests of the 20 individual and shall must be designed to increase independence, 21 improve quality of life, and support community integration and inclusion. Services for children and families shall must promote 22 the best interests of the individual receiving services and shall 23 24 must be designed to strengthen and preserve the family unit if 25 appropriate. The community mental health services program shall 26 must deliver services in a manner that demonstrates they those 27 services are based upon on recipient choice and involvement, and 28 shall must include wraparound services when appropriate. Upon 29 implementation, the contracted entity must ensure that services are

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1 delivered in a manner that demonstrates those services are based on 2 recipient choice and involvement, and must include wraparound 3 services when appropriate and the choice for self-directed 4 services.

5 (3) The department may promulgate rules, establish Medicaid6 policy, or do both, to carry out this section.

7 Sec. 207. Each community mental health services program shall 8 must provide services designed to divert persons with serious 9 mental illness, serious emotional disturbance, intellectual 10 disability, or developmental disability from possible jail 11 incarceration when appropriate. Upon implementation, the contracted entity must ensure that services are designed to divert persons 12 with serious mental illness, serious emotional disturbance, or 13 14 developmental disability from possible jail incarceration when 15 appropriate. These services shall be consistent with policy 16 established by the department.

Sec. 207a. (1) Not later than October 1, 2014, each Each county shall must have a written interagency agreement in place for a collaborative program to provide mental health treatment and assistance, if permitted by law and considered appropriate, to persons individuals with serious mental illness who are considered at risk for 1 or more of the following:

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(a) Entering the criminal justice system.

24 (b) Not receiving needed mental health treatment services25 during a period of incarceration in a county jail.

26 (c) Not receiving needed mental health treatment services upon27 release or discharge from incarceration in a county jail.

28 (d) Being committed to the jurisdiction of the department of29 corrections.

(2) Parties to the interagency agreement referenced in

subsection (1) shall include, at a minimum, all of the following:

(a) The county sheriff's department.

(b) The county prosecutor's office.

5	(c) The community mental health services program that provides
6	services in that county.
7	(d) The county board of commissioners.
8	(e) A district court judge who serves in that county or, if
9	there is more than 1 district in the county, a district court judge
10	who serves in the county who is designated either by the chief
11	judge of a district court within that county or a chief judge with
12	authority over a district court in that county.
13	(f) A circuit court judge who serves in that county who is
14	designated either by the chief judge of the circuit court or by a
15	chief judge with authority over the circuit court in that county.
16	(g) Contracted entities serving individuals in the county.
17	(3) The interagency agreement referenced in subsection (1)
18	shall, must, at a minimum, cover all of the following areas:
19	(a) Guidelines for program eligibility.
20	(b) Interparty communication and coordination.
21	(c) Day-to-day program administration.
22	(d) Involvement of service consumers, family members, and
23	other stakeholders.
24	(e) How the program shall work with local courts.
25	(f) How the program shall address potential participants
26	before and after criminal charges have been filed.
27	(g) Resource sharing between the parties to the interagency
28	agreement.
29	(h) Screening and assessment procedures.

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2 3

(i) Guidelines for case management.

2 (j) How the program described in subsection (1) will work with3 county jails.

4 (k) Criteria for completing the program described in5 subsection (1).

6 (l) Mental health treatment services that are available through7 the program described in subsection (1).

8 (m) Procedures for first response to potential cases,9 including response to crises.

10 (n) How the administrators of the program described in 11 subsection (1) will report the program's actions and outcomes to 12 the public.

(4) A county that has a written interagency agreement referenced in subsection (1) in place on the effective date of the amendatory act that added this section March 6, 2014 may maintain that interagency agreement, but must ensure that its interagency agreement contains all of the provisions described in subsection (3).

19 (5) The department, the state court administrative office, and 20 parties to the interagency agreement may establish additional 21 policies and procedures to be included in the county interagency 22 agreement required under this section.

23 (6) The department may promulgate rules to implement this
24 section according to the administrative procedures act of 1969,
25 1969 PA 306, MCL 24.201 to 24.328.

26 (7) A county is not required to provide funds for the program
27 described in subsection (1). In implementing the provisions of this
28 section, a county is required to expend funds for the program
29 described in subsection (1) only to the extent appropriated

annually by the legislature for the program.

Sec. 208. (1) Services provided by a community mental health
services program shall must be directed to individuals who have a
serious mental illness, serious emotional disturbance, intellectual
or developmental disability, or substance use disorder.

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6 (2) Services may be directed to individuals who have other 7 mental disorders that meet criteria specified in the most recent 8 diagnostic and statistical manual of mental health disorders 9 published by the American psychiatric association and may also be 10 directed to the prevention of mental disability and the promotion 11 of mental health. Resources that have been specifically designated 12 to community mental health services programs for services to 13 individuals with dementia, alcoholism, or substance use disorder or 14 for the prevention of mental disability and the promotion of mental 15 health shall be utilized for those specific purposes.

16 (2) (3) Priority shall for services must be given to the 17 provision of services to individuals with the most severe forms of serious mental illness, serious emotional disturbance, and 18 19 developmental disability. Priority shall also be given to the 20 provision of services to individuals with a serious mental illness, 21 serious emotional disturbance, or developmental disability in urgent or emergency situations.according to section 116. 22 (3) (4) An individual shall not be denied a service because an 23 24 individual who is financially liable is unable to pay for the

25 service.

Sec. 209a. (1) The appropriate community mental health services program or contracted entity, with the assistance of the state facility or licensed hospital under contract with a community mental health services program or contracted entity, or the state

1 facility shall develop an individualized prerelease plan for
2 appropriate community placement and a prerelease plan for aftercare
3 services appropriate for each resident. If possible, the resident
4 shall participate in the development of a prerelease plan. In
5 developing a prerelease plan for a minor, the community mental
6 health services program shall or contracted entity must include all
7 of the following in the planning process if possible:

8

(a) The minor, if the minor is 14 years of age or older.

9 (b) The parent or guardian of the minor.

10

(c) Personnel from the school and other agencies.

11 (2) If the responsible community mental health services program or the integration effort for the contracted entity for the 12 population described in section 109f of the social welfare act, 13 14 1939 PA 280, MCL 400.109f, cannot locate suitable aftercare service 15 with a residential component or an alternative to hospitalization 16 in its service area, but the service is available from another service provider, the responsible community mental health service 17 18 program or contracted entity may contract for the provision of services. The service shall must be located as close to the 19 20 individual's place of residence as possible.

21 (3) If a recipient of inpatient services provided through a 22 community mental health services program or contracted entity is to 23 be released, the licensed hospital under contract with a community mental health services program, a contracted entity, or a state 24 25 facility shall must provide the responsible community mental health 26 services program or contracted entity with advance notice of an 27 individual's anticipated release from patient care. The community 28 mental health services program shall or contracted entity must 29 offer prerelease planning services and develop a release plan in

1 cooperation with the individual unless the individual refuses this
2 service.

3 (4) If a recipient of inpatient services provided through a
4 community mental health services program or a contracted entity is
5 released before a prerelease plan can be completed, the community
6 mental health services program shall or contracted entity must
7 offer to assist the recipient in the development of a postrelease
8 plan within 10 days after release.

9 (5) Unless covered by contractual agreement, disclosure of 10 information about the individual by the state facility or licensed 11 hospital shall be made to those individuals involved in the 12 development of the prerelease or postrelease plan or current 13 individual plan of services, but shall be is limited to the 14 following:

(a) Home address, gender, date of discharge or planned date ofdischarge, any transfer, and medication record.

17 (b) Other information necessary to determine financial and
18 social service needs, program needs, residential needs, and
19 medication needs.

20 Sec. 209b. (1) Before an individual is placed in a supervised 21 community living arrangement, such as a foster home, group care 22 home, nursing home, or other community-based setting, the 23 prerelease or postrelease planning for the individual shall involve 24 the individual, the individual's legal guardian if a guardian has 25 been appointed; any family member, friend, advocate, and professional the recipient chooses; the parents of a minor 26 27 individual; the state facility or licensed hospital; the residential care provider, if such a provider has been selected; 28 29 and, with the consent of the individual, the appropriate local and

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1 intermediate school systems and the department of social services,
2 if appropriate. In each case, the community mental health services
3 program shall or contracted entity must produce in writing a plan
4 for community placement and aftercare services that is sufficient
5 to meet the needs of the individual and shall document any lack of
6 available community services necessary to implement the plan.

7 (2) Each community mental health services program and
8 contracted entity, as requested, shall must send to the department
9 aggregate data , which that includes a list of services that were
10 indicated on prerelease or postrelease plans, but which could not
11 be provided.

Sec. 210. (1) Any single county or any combination of adjoining counties may elect to establish a community mental health services program by a majority vote of each county board of commissioners.

16 (2) A-The department, a contracted entity, or a department-17 designated community mental health entity shall must coordinate the 18 provision of providing substance use disorder services in its 19 region and shall ensure services are available for individuals with 20 substance use disorder.

(3) For the purposes of this section, "department-designated
community mental health entity" does not include a prepaid
inpatient health plan.

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

(a) Annually conduct a needs assessment to determine the
mental health needs of the residents of the county or counties it
represents and identify public and nonpublic services necessary to
meet those needs. Information and data concerning the mental health

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needs of individuals with developmental disability, serious mental 1 illness, and serious emotional disturbance shall must be reported 2 to the department in accordance with procedures and at a time 3 established by the department, along with plans to meet identified 4 5 needs. It is the responsibility of the community mental health 6 services program to involve the public and private providers of 7 mental health services located in the county or counties served by 8 the community mental health program in this assessment and service 9 identification process. The needs assessment shall must include 10 information gathered from all appropriate sources, including 11 community mental health waiting list data, contracted entity data, and school districts providing special education services, 12

13 consistent with and necessary to complete the needs assessment as 14 specified by the department.

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

20 (c) In the case of a county community mental health agency, obtain approval of its needs assessment, annual plan and budget, 21 and request for new funds from the board of commissioners of each 22 23 participating county before submission of submitting the plan to 24 the department. In the case of a community mental health 25 organization, provide a copy of its needs assessment, annual plan, 26 request for new funds, and any other document specified in accordance with the terms and conditions of the organization's 27 28 inter-local agreement to the board of commissioners of each county 29 creating the organization. In the case of a community mental health

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authority, provide a copy of its needs assessment, annual plan, and
 request for new funds to the board of commissioners of each county
 creating the authority.

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

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

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

15 (g) Annually approve the community mental health services 16 program's operating budget for the year.

17 (h) Take those actions it considers necessary and appropriate18 to secure private, federal, and other public funds to help support19 the community mental health services program.

20 (i) Approve and authorize all contracts for the provision of
21 providing services.

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

28 (k) Subject to subsection (3), appoint an executive director29 of the community mental health services program who meets the

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1 standards of training and experience established by the department.

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

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

10 (n) Report monthly to the behavioral health ombudsman and the 11 behavioral health accountability council on the progress of the 12 contracted entities.

13 (2) A community mental health services program may do all of 14 the following:

15 (a) Establish demonstration projects allowing the executive16 director to do 1 or both of the following:

17 (i) Issue a voucher to a recipient in accordance with the18 recipient's plan of services developed by the community mental19 health services program.

20 (ii) Provide funding for the purpose of establishing revolving 21 loans to assist recipients of public mental health services to 22 acquire or maintain affordable housing. Funding under this 23 subparagraph shall only be provided through an agreement with a 24 nonprofit fiduciary.

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

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(c) Carry forward the operating margin up to 5% of the

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community mental health services program's state share of the 1 operating budget for the fiscal years ending September 30, 2009, 2 2010, and 2011. As used in this subdivision, "operating margin" 3 means the excess of state revenue over state expenditures for a 4 5 single fiscal year exclusive of capitated payments under a managed 6 care system. In the case of a community mental health authority, 7 this carryforward is in addition to the reserve accounts described 8 in section 205(4)(h).

9 (d) Pursue, develop, and establish partnerships with private10 individuals or organizations to provide mental health services.

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

(f) Enter into agreements with other providers or managers of health care or rehabilitative services to foster interagency communication, cooperation, coordination, and consultation. A community mental health services program's activities under an agreement under this subdivision shall must be consistent with the provisions of section 206.

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

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

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

5 Sec. 227. Each community mental health services program shall 6 or contracted entity must participate in the development of school-7 to-community transition services for individuals with serious 8 mental illness, serious emotional disturbance, or developmental 9 disability. This planning and development shall must be done in 10 conjunction with the individual's local school district or 11 intermediate school district as appropriate and shall begin not later than the school year in which the individual student reaches 12 16 years of age. These services shall must be individualized. This 13 14 section is not intended to increase or decrease the fiscal 15 responsibility of school districts, community mental health 16 services programs, contracted entities, or any other agency or 17 organization with respect to individuals described in this section.

18 Sec. 269. (1) The department, a contracted entity, or a 19 department-designated community mental health entity and its 20 community mental health services program provider network may 21 contract for and spend funds for the prevention of preventing 22 substance use disorder and for the counseling and treatment of 23 treating individuals with substance use disorder. A contracted 24 entity, department-designated community mental health entity, and 25 other community mental health services program may make contracts with the governing bodies of other department-designated community 26 27 mental health entities and other community mental health services 28 programs and other persons entities for these purposes.

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(2) For the purposes of this section, "department-designated

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1 community mental health entity" does not include a prepaid 2 inpatient health plan.

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Sec. 270. The department shall must do all of the following: 4 (a) Administer and coordinate state administered funds for 5 substance use disorder treatment and rehabilitation services and 6 substance use disorder prevention services.

7 (b) Use appropriations of revenues from taxes imposed by the 8 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 9 436.2303, exclusively for the purposes provided in that act.

10 (c) Recommend directly to the governor, after review and 11 comment, budget and grant requests for public funds to be allocated for substance use disorder services including education, research, 12 treatment, rehabilitation, and prevention activities. 13

14 (d) Provide technical assistance to department-designated 15 community mental health entities, contracted entities, and 16 community mental health services programs and to treatment, 17 rehabilitation, and prevention agencies for the purposes of program 18 development, administration, and evaluation.

19 (e) Develop annually a comprehensive state plan through the 20 use of federal, state, local, and private resources of adequate 21 services and facilities for the prevention and control of substance use disorder and the diagnosis, treatment, and rehabilitation of 22 individuals with substance use disorder. 23

24 (f) Evaluate, in cooperation with appropriate state 25 departments and agencies, the effectiveness of substance use 26 disorder services in the state funded by federal, state, local, and 27 private resources, and annually during the month of November, 28 report a summary of the detailed evaluation to the governor and the 29 legislature.

Sec. 271. The department shall must do both of the following:
 (a) Cooperate with agencies of the federal government and
 receive and use federal funds for purposes authorized by the
 legislature.

5 (b) Prior to the expenditure of Before expending funds 6 appropriated to other state agencies receiving appropriations for 7 substance use disorder treatment and rehabilitation services and 8 substance use disorder prevention services, have a contract signed 9 with the receiving department, contracted entity, or department-10 designated community mental health entity. The department shall 11 **must** submit a copy of each agreement to the governor and the 12 appropriations committees of the senate and house of 13 representatives.

Sec. 273. (1) The department shall must do all of the following:

16 (a) Annually establish program priority for funding for the17 next fiscal year.

18 (b) Establish guidelines for project applications.

19 (c) Promulgate rules concerning matching requirements for
20 state alcoholism and drug abuse treatment grants. The rules shall
21 be reviewed every 2 years.

(2) The department, contracted entity, or departmentdesignated community mental health entities and community mental
health services program provider networks shall must ensure that
applicants for state administered funds are licensed, unless
exempt, as substance use disorder service programs under part 62 of
the public health code, 1978 PA 368, MCL 333.6230 to 333.6251.

28 (3) The department may issue licenses; require reports;29 establish standards and procedures; and make inspections necessary

1 to enforce this chapter and rules promulgated under this chapter;
2 and provide technical assistance for the guidance of substance use
3 disorder service programs in complying with the requirements and
4 rules promulgated under this chapter.

5 Sec. 274. A department-designated community mental health An 6 entity designated by the director to assume responsibility for 7 providing substance use disorder services for a county or 8 multicounty region, with assistance from its community mental 9 health services program provider network, shall must do all of the 10 following:

11 (a) Develop comprehensive plans for substance use disorder 12 treatment and rehabilitation services and substance use disorder 13 prevention services consistent with guidelines established by the 14 department.

(b) Review and comment to the department of licensing and
regulatory affairs on applications for licenses submitted by local
treatment, rehabilitation, and prevention organizations.

18 (c) Provide technical assistance for local substance use19 disorder service programs.

20 (d) Collect and transfer data and financial information from
21 local programs to the department of licensing and regulatory
22 affairs.

(e) Submit an annual budget request to the department for use
of state administered funds for its substance use disorder
treatment and rehabilitation services and substance use disorder
prevention services in accordance with guidelines established by
the department.

(f) Make contracts necessary and incidental to the performance
of the department-designated community mental health entity's and

community mental health services program's functions. The contracts may be made with public or private agencies, organizations, associations, and individuals to provide for substance use disorder treatment and rehabilitation services and substance use disorder prevention services.

6 (q) Annually evaluate and assess substance use disorder 7 services in the department-designated community mental health 8 entity in accordance with guidelines established by the department. 9 Sec. 275. (1) Subject to subsection (2), if a department-10 designated community mental health an entity under this chapter 11 maintains a waiting list for services, the department-designated 12 community mental health entity shall must place a parent whose 13 child has been removed from the home under the child protection 14 laws of this state or is in danger of being removed from the home 15 under the child protection laws of this state because of the parent's substance use disorder in a priority position on the 16 17 waiting list above all other applicants with substantially similar clinical conditions. 18

19 (2) If a department-designated community mental health an 20 entity receives federal substance abuse prevention and treatment block grant funds, the priority position of the parent on the 21 waiting list granted under subsection (1) will come after a 22 23 priority position on the waiting list granted under the conditions 24 of the federal block grant. If the parent qualifies for priority 25 status on the waiting list under the conditions of the federal block grant, the department-designated community mental health 26 27 entity shall must place the parent in that priority position on the 28 waiting list.

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Sec. 287. (1) The composition of the department-designated

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community mental health entity board shall consist of
 representatives of mental health, developmental or intellectual
 disabilities, and substance use disorder services.

4 (2) The department-designated community mental health entity
5 shall or contracted entity must ensure that funding dedicated to
6 substance use disorder services shall be retained for substance use
7 disorder services and not diverted to fund services that are not
8 for substance use disorders.

9 (3) A department-designated community mental health entity 10 designated by the director to assume the responsibilities of 11 providing substance use disorder services for a county or region shall retain the existing providers who are under contract to 12 provide substance use disorder treatment and prevention services 13 14 for a period of 2 years after the effective date of the amendatory 15 act that added this section. December 28, 2012. Unless another plan 16 is approved by the county board of commissioners, counties or regions that have local public health departments that contract 17 18 with substance use disorder providers on the effective date of the 19 amendatory act that added this section December 28, 2012 shall 20 continue to allow the local public health department to carry out 21 that function for 2 years after the effective date of the 22 amendatory act that added this section. December 28, 2012. Beginning 23 September 1, 2024, or upon implementation of the procurement 24 process as provided under section 109f(5) of the social welfare 25 act, 1939 PA 280, MCL 400.109f, whichever is sooner, the director must designate contracted entities to assume the responsibilities 26 27 of overseeing providing substance use disorder services for a 28 county or region.

(4) The department, and the department-designated community

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1 mental health entity, and the contracted entity shall continue to
2 use the allocation formula based on federal and state data sources
3 to allocate and distribute nonmedical assistance substance use
4 disorder services funds.

5 (5) A department-designated community mental health entity 6 shall establish a substance use disorder oversight policy board 7 through a contractual agreement between the department-designated 8 community mental health entity and each of the counties served by 9 the community mental health services program under 1967 (Ex Sess) 10 PA 8, MCL 124.531 to 124.536, or other appropriate state law. The 11 substance use disorder oversight policy board shall include the 12 members called for in the establishing agreement, but shall have at least 1 board member appointed by the county board of commissioners 13 14 for each county served by the department-designated community 15 mental health entity. The substance use disorder oversight policy 16 board shall perform the functions and responsibilities assigned to 17 it through the establishing agreement, which shall include at least 18 the following responsibilities:

19 (a) Approval of any department-designated community mental
20 health entity budget containing local funds for treatment or
21 prevention of substance use disorders.

(b) Advice and recommendations regarding department-designated
community mental health entities' budgets for substance use
disorder treatment or prevention using other nonlocal funding
sources.

26 (c) Advice and recommendations regarding contracts with27 substance use disorder treatment or prevention providers.

28 (d) Any other terms as agreed to by the participating parties29 consistent with the authorizing legislation.

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(6) The department shall report to the house of
 representatives and the senate appropriations subcommittee on
 community health on the redistricting of regions not later than 30
 days before implementation of the plan.

5 (7) The department shall work with department-designated
6 community mental health entities, and community mental health
7 services programs and contracted entities to simplify the
8 administrative and reporting requirements for mental health
9 services and substance use disorder services.

10 (8) Beginning not later than October 1, 2014, or at the time 11 the implementation of the changes in this chapter are complete, 12 whichever is sooner, department-designated Department-designated 13 community mental health entities are coordinating agencies for 14 purposes of receiving any funds statutorily required to be 15 distributed to coordinating agencies. Not later than 2 years after 16 the effective date of the amendatory act that added this sentence, 17 contracted entities are coordinating agencies for purposes of 18 receiving any funds statutorily required to be distributed to 19 coordinating agencies.

20 Sec. 409. (1) Each community mental health services program 21 must establish 1 or more preadmission screening units with 24-hour 22 availability to provide assessment and screening services for 23 individuals being considered for admission into hospitals, assisted outpatient treatment programs, or crisis services on a voluntary 24 25 basis. The community mental health services program shall employ mental health professionals or licensed bachelor's social workers 26 27 licensed under part 185 of the public health code, 1978 PA 368, MCL 333.18501 to 333.18518, to provide the preadmission screening 28 29 services or contract with another agency that meets the

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requirements of this section. Preadmission Except as provided in 1 2 subsection (4), preadmission screening unit staff shall must be 3 supervised by a registered professional nurse or other mental health professional possessing at least a master's degree. A 4 5 contracted entity must establish or contract with each community 6 mental health services program in its service area for preadmission 7 assessment and screening services for individuals enrolled with the 8 contracted entity as provided under section 109f of the social 9 welfare act, 1939 PA 280, MCL 400.109f.

10 (2) Each community mental health services program shall or 11 contracted entity must provide the address and telephone number of 12 its preadmission screening unit or units to law enforcement 13 agencies, the department, the court, hospital emergency rooms, and 14 private security companies under contract with a county under 15 section 170.

16 (3) A-Within 3 hours after being notified by a hospital or 17 hospital as that term is defined in section 20106 of the public 18 health code, 1978 PA 368, MCL 333.20106, for an assessment, a 19 preadmission screening unit shall assess an individual being 20 considered for admission into a hospital operated by the department 21 or under contract with the community mental health services program 22 or contracted entity. If the individual is clinically suitable for 23 hospitalization, the preadmission screening unit shall authorize 24 voluntary admission to the hospital.

(4) If the preadmission screening unit is unable to complete the assessment within 3 hours after the notice described in subsection (3), a clinically qualified individual may perform the assessment for the hospital or hospital as that term is defined in section 20106 of the public health code, 1978 PA 368, MCL

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333.20106, community mental health services program, crisis
 stabilization unit, or any other entity under contract to perform
 assessment and screening services required under this act. The
 preadmission screening unit is responsible for the costs of
 performing any assessment under this subsection.

6 (5) Telehealth services as that term is defined in section
7 16283 of the public health code, 1978 PA 368, MCL 333.16283, may be
8 used to complete the assessment described in this section.

9 (6) (4) If the preadmission screening unit of the community 10 mental health services program denies hospitalization, the 11 individual or the person making the application may request a second opinion from the executive director or the nurse case 12 manager of the contracted entity, whichever is applicable. The 13 14 executive director or the nurse case manager shall arrange for an 15 additional evaluation by a psychiatrist, other physician, or licensed psychologist to be performed within 3 days, excluding 16 17 Sundays and legal holidays, after the executive director receives 18 the request for a second opinion is received. If the conclusion of 19 the second opinion is different from the conclusion of the 20 preadmission screening unit, the executive director or the nurse 21 case manager, in conjunction with the medical director, shall make a decision based on all clinical information available. The 22 executive director's final decision shall be confirmed in writing 23 24 to the individual who requested the second opinion, and the 25 confirming document shall include the signatures of the executive 26 director or the nurse case manager, whichever is applicable, and 27 **the** medical director or verification that the decision was made in conjunction with the medical director. If an individual is assessed 28 29 and found not to be clinically suitable for hospitalization, the

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1 preadmission screening unit shall provide appropriate referral 2 services.

3 (7) (5) If an individual is assessed and found not to be
4 clinically suitable for hospitalization, the preadmission screening
5 unit shall provide information regarding alternative services and
6 the availability of those services, and make appropriate referrals.

7 (8) (6) A preadmission screening unit shall assess and 8 examine, or refer to a hospital for examination, an individual who 9 is brought to the preadmission screening unit by a peace officer or 10 security transport officer or ordered by a court to be examined. If 11 the individual meets the requirements for hospitalization, the preadmission screening unit shall designate the hospital to which 12 the individual shall be admitted. The preadmission screening unit 13 14 shall consult with the individual and, if the individual agrees, 15 the preadmission screening unit must consult with the individual's family member of choice, if available, as to the preferred hospital 16 17 for the individual's admission. of the individual.

18 (9) (7) A preadmission screening unit may operate a crisis stabilization unit under chapter 9A. A preadmission screening unit 19 20 may provide crisis services to an individual, who by assessment and screening, is found to be a person requiring treatment. Crisis 21 services at a crisis stabilization unit must entail an initial 22 23 psychosocial assessment by a master's level mental health 24 professional and a psychiatric evaluation within 24 hours to 25 stabilize the individual. In this event, crisis services may be provided for a period of up to 72 hours, after which the individual 26 27 must be provided with the clinically appropriate level of care, 28 resulting in 1 of the following:

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(a) The individual is no longer a person requiring treatment.

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1 2 (b) A referral to outpatient services for aftercare treatment.

(c) A referral to a partial hospitalization program.

3 (d) A referral to a residential treatment center, including4 crisis residential services.

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(e) A referral to an inpatient bed.

6 (f) An order for involuntary treatment of the individual has7 been issued under section 281b, 281c, former 433, or 434.

8 (10) (8) A preadmission screening unit operating a crisis
9 stabilization unit under chapter 9A may also offer crisis services
10 to an individual who is not a person requiring treatment, but who
11 is seeking crisis services on a voluntary basis.

12 (11) (9) If the individual chooses a hospital not under contract with a community mental health services program - or 13 14 contracted entity and the hospital agrees to the admission, the 15 preadmission screening unit shall refer the individual to the 16 hospital that is requested by the individual. Any financial obligation for the services provided by the hospital shall be 17 18 satisfied from funding sources other than the community mental 19 health services program, the contracted entity, the department, or 20 other state or county funding.

(12) As used in this section, "clinically qualified
individual" means an individual who is licensed, at a minimum, with
a master's level degree in a behavioral-health-specific profession.

Sec. 705. (1) If an applicant for community mental health services has been denied mental health services, the applicant, his or her guardian if one a guardian has been appointed, or the applicant's parent or parents if the applicant is a minor may request a second opinion of the executive director or the nurse case manager of the contracted entity, whichever is applicable. The

executive director or nurse case manager shall secure the second
 opinion from a physician, licensed psychologist, registered
 professional nurse, or master's level social worker, or master's
 level psychologist.

5 (2) If the individual providing the second opinion determines
6 that the applicant has a serious mental illness, serious emotional
7 disturbance, or a developmental disability, or is experiencing an
8 emergency situation or urgent situation, the community mental
9 health services program or contracted entity shall direct services
10 to the applicant.

11 Sec. 713. A recipient shall be given a choice of physician or other mental health professional in accordance with the policies of 12 the community mental health services program, contracted entity, 13 14 licensed hospital, or service provider under contract with the 15 community mental health services program, or licensed hospital providing services and within the limits of available staff in the 16 community mental health services program, contracted entity, 17 18 licensed hospital, or service provider under contract with the 19 community mental health services program, or licensed hospital.

20 Sec. 748. (1) Information in the record of a recipient, and other information acquired in the course of providing mental health 21 services to a recipient, shall be kept confidential and is not open 22 23 to public inspection. The information may be disclosed outside the 24 department, community mental health services program, contracted 25 entity, licensed facility, or contract provider, whichever is the holder of the record, only in the circumstances and under the 26 conditions set forth in this section or section 748a. 27

28 (2) If information made confidential by this section is29 disclosed, the identity of the individual to whom it pertains shall

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be protected and shall not be disclosed unless it is germane to the
 authorized purpose for which disclosure was sought. When
 practicable, no other information shall be disclosed unless it is
 germane to the authorized purpose for which disclosure was sought.

5 (3) An individual receiving information made confidential by
6 this section shall disclose the information to others only to the
7 extent consistent with the authorized purpose for which the
8 information was obtained.

9 (4) For case record entries made subsequent to March 28, 1996, 10 information made confidential by this section shall be disclosed to 11 an adult recipient, upon the recipient's request, if the recipient 12 does not have a guardian and has not been adjudicated legally 13 incompetent. The holder of the record shall comply with the adult 14 recipient's request for disclosure as expeditiously as possible but 15 in no event later than the earlier of 30 days after receipt of the 16 request or, if the recipient is receiving treatment from the holder 17 of the record, before the recipient is released from treatment.

18 (5) Except as otherwise provided in this section or section
19 748a, when requested, information made confidential by this section
20 shall be disclosed only under 1 or more of the following
21 circumstances:

(a) Under an order or a subpoena of a court of record or a
subpoena of the legislature, unless the information is privileged
by law.

(b) To a prosecuting attorney as necessary for the prosecutingattorney to participate in a proceeding governed by this act.

27 (c) To an attorney for the recipient, with the consent of the
28 recipient, the recipient's guardian with authority to consent, or
29 the parent with legal and physical custody of a minor recipient.

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1 (d) If necessary in order to comply with another provision of2 law.

3 (e) To the department if the information is necessary in order
4 for the department to discharge a responsibility placed upon it by
5 law.

6 (f) To the office of the auditor general if the information is
7 necessary for that office to discharge its constitutional
8 responsibility.

9 (g) To a surviving spouse of the recipient or, if there is no
10 surviving spouse, to the individual or individuals most closely
11 related to the deceased recipient within the third degree of
12 consanguinity as defined in civil law, for the purpose of applying
13 for and receiving benefits.

14 (6) Except as otherwise provided in subsection (4), if consent 15 is obtained from the recipient, the recipient's guardian with 16 authority to consent, the parent with legal custody of a minor 17 recipient, or the court-appointed personal representative or 18 executor of the estate of a deceased recipient, information made 19 confidential by this section may be disclosed to all of the 20 following:

(a) A provider of mental health services to the recipient.
(b) The recipient or his or her guardian or the parent of a
minor recipient or another individual or agency unless in the
written judgment of the holder the disclosure would be detrimental
to the recipient or others.

26 (7) Information may be disclosed by the holder of the record27 under 1 or more of the following circumstances:

28 (a) As necessary in order for the recipient to apply for or29 receive benefits.

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(b) As necessary for treatment, coordination of care, or
 payment for the delivery of mental health services, in accordance
 with the health insurance portability and accountability act of
 1996, Public Law 104-191.

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5 (c) As necessary for the purpose of outside research, 6 evaluation, accreditation, or statistical compilation. The 7 individual who is the subject of the information shall not be 8 identified in the disclosed information unless the identification 9 is essential in order to achieve the purpose for which the 10 information is sought or if preventing the identification would 11 clearly be impractical, but not if the subject of the information 12 is likely to be harmed by the identification.

13 (d) To a provider of mental or other health services or a 14 public agency, if there is a compelling need for disclosure based 15 upon a substantial probability of harm to the recipient or other 16 individuals.

17 (8) If required by federal law, the department or a community 18 mental health services program or licensed facility shall grant a 19 representative of the protection and advocacy system designated by 20 the governor in compliance with section 931 access to the records 21 of all of the following:

(a) A recipient, if the recipient, the recipient's guardian
with authority to consent, or a minor recipient's parent with legal
and physical custody of the recipient has consented to the access.

(b) A recipient, including a recipient who has died or whoselocation is unknown, if all of the following apply:

27 (i) Because of mental or physical condition, the recipient is28 unable to consent to the access.

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(*ii*) The recipient does not have a guardian or other legal

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1 representative, or the recipient's guardian is the state.

2 (iii) The protection and advocacy system has received a
3 complaint on behalf of the recipient or has probable cause to
4 believe based on monitoring or other evidence that the recipient
5 has been subject to abuse or neglect.

6 (c) A recipient who has a guardian or other legal7 representative if all of the following apply:

8 (i) A complaint has been received by the protection and
9 advocacy system or there is probable cause to believe the health or
10 safety of the recipient is in serious and immediate jeopardy.

(*ii*) Upon receipt of the name and address of the recipient's legal representative, the protection and advocacy system has contacted the representative and offered assistance in resolving the situation.

15 (iii) The representative has failed or refused to act on behalf 16 of the recipient.

(9) The records, data, and knowledge collected for or by individuals or committees assigned a peer review function, including the review function under section 143a(1), are confidential, shall be used only for the purposes of peer review, are not public records, and are not subject to court subpoena. This subsection does not prevent disclosure of individual case records under this section.

(10) The holder of an individual's record, if authorized to release information for clinical purposes by the individual or the individual's guardian or a parent of a minor, shall release a copy of the entire medical and clinical record to the provider of mental health services.

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Sec. 752. (1) The department, each community mental health

services program, each contracted entity, each licensed hospital, 1 2 and each service provider under contract with the department, a community mental health services program, or a licensed hospital 3 shall establish written policies and procedures concerning 4 5 recipient rights and the operation of an office of recipient 6 rights. The policies and procedures shall provide a mechanism for 7 prompt reporting, review, investigation, and resolution of apparent 8 or suspected violations of the rights guaranteed by this chapter, 9 shall be consistent with this chapter and chapter 7a, and shall be 10 designed to protect recipients from, and prevent repetition of, 11 violations of rights guaranteed by this chapter and chapter 7a. The policies and procedures shall include, at a minimum, all of the 12 13 following: 14 (a) Complaint and appeal processes. 15 (b) Consent to treatment and services. 16 (c) Sterilization, contraception, and abortion. (d) Fingerprinting, photographing, audiotaping, and use of 1-17 18 way glass. (e) Abuse and neglect, including detailed categories of type 19 20 and severity. 21 (f) Confidentiality and disclosure. 22 (g) Treatment by spiritual means. 23 (h) Qualifications and training for recipient rights staff. 24 (i) Change in type of treatment.

- 25 (j) Medication procedures.
- 26 (k) Use of psychotropic drugs.
- 27 (l) Use of restraint.
- 28 (m) Right to be treated with dignity and respect.
- 29 (n) Least restrictive setting.

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(o) Services suited to condition.

2 (p) Policies and procedures that address all of the following3 matters with respect to residents:

4 (i) Right to entertainment material, information, and news.

5 (*ii*) Comprehensive examinations.

6 (*iii*) Property and funds.

7 (*iv*) Freedom of movement.

8 (v) Resident labor.

9 (vi) Communication and visits.

10 (vii) Use of seclusion.

(2) All policies and procedures required by this section shall
be established within 12 months after the effective date of the
amendatory act that added section 753.by March 28, 1997.

Sec. 754. (1) The department shall establish a state office of recipient rights within the office of the behavioral health ombudsman subordinate only to the director.behavioral health ombudsman.

18 (2) The department shall must ensure all of the following:
19 (a) The process for funding the state office of recipient
20 rights includes a review of the funding by the state recipient
21 rights advisory committee.

(b) The state office of recipient rights will be protected
from pressures that could interfere with the impartial, evenhanded, and thorough performance of its duties.

25 (c) The state office of recipient rights will have unimpeded26 access to all of the following:

27 (i) All programs and services operated by or under contract
28 with the department except where other recipient rights systems
29 authorized by this act exist.

(ii) All staff employed by or under contract with the
 department.

3 (iii) All evidence necessary to conduct a thorough investigation4 or to fulfill its monitoring function.

5 (d) Staff of the state office of recipient rights receive6 training each year in recipient rights protection.

7 (e) Each contract between the department and a provider8 requires both of the following:

9 (i) That the provider and his or her employees receive annual10 training in recipient rights protection.

11 (*ii*) That recipients will be protected from rights violations
12 while they are receiving services under the contract.

13 (f) Technical assistance and training in recipient rights 14 protection are available to all community mental health services 15 programs and other mental health service providers subject to this 16 act.

17 (3) The department shall must endeavor to ensure all of the 18 following:

19 (a) The state office of recipient rights has sufficient staff
20 and other resources necessary to perform the duties described in
21 this section.

(b) Complainants, staff of the state office of recipient
rights, and any staff acting on behalf of a recipient will be
protected from harassment or retaliation resulting from recipient
rights activities.

26 (c) Appropriate remedial action is taken to resolve violations
27 of rights and notify the complainants of substantiated violations
28 in a manner that does not violate employee rights.

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(4) After consulting with the state recipient rights advisory

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committee, the department director shall select a director of the 1 state office of recipient rights who has the education, training, 2 and experience to fulfill the responsibilities of the office. The 3 department director shall not replace or dismiss the director of 4 the state office of recipient rights without first consulting the 5 6 state recipient rights advisory committee and the behavioral health 7 ombudsman. The director of the state office of recipient rights 8 shall have no direct service responsibility. The director of the 9 state office of recipient rights shall report directly and solely 10 to the department director. behavioral health ombudsman. The 11 department director behavioral health ombudsman shall not delegate 12 his or her responsibility under this subsection.

13 (5) The state office of recipient rights may do all of the 14 following:

15 (a) Investigate apparent or suspected violations of the rights16 guaranteed by this chapter.

17

(b) Resolve disputes relating to violations.

18 (c) Act on behalf of recipients to obtain appropriate remedies19 for any apparent violations.

20 (d) Apply for and receive grants, gifts, and bequests to21 effectuate any purpose of this chapter.

22 (6) The state office of recipient rights shall must do all of23 the following:

(a) Ensure that recipients, parents of minor recipients, and
guardians or other legal representatives have access to summaries
of the rights guaranteed by this chapter and chapter 7a and are
notified of those rights in an understandable manner, both at the
time services are requested and periodically during the time
services are provided to the recipient.

(b) Ensure that the telephone number and address of the office
 of recipient rights, and the names of rights officers, and the
 behavioral health ombudsman are conspicuously posted in all service
 sites.

5 (c) Maintain a record system for all reports of apparent or
6 suspected rights violations received, including a mechanism for
7 logging in all complaints and a mechanism for secure storage of all
8 investigative documents and evidence.

9 (d) Initiate actions that are appropriate and necessary to
10 safeguard and protect rights guaranteed by this chapter to
11 recipients of services provided directly by the department or by
12 its contract providers other than community mental health services
13 programs.

14 (e) Receive reports of apparent or suspected violations of 15 rights guaranteed by this chapter. The state office of recipient 16 rights shall must refer reports of apparent or suspected rights 17 violations to the recipient rights office of the appropriate provider to be addressed by the provider's internal rights 18 19 protection mechanisms. The state office shall must intervene as 20 necessary to act on behalf of recipients in situations in which the 21 department director of the department considers the rights protection system of the provider to be out of compliance with this 22 23 act and rules promulgated under this act.

(f) Upon request, advise recipients of the process by which a
rights complaint or appeal may be made and assist the existence of
the behavioral health ombudsman. Assist recipients in preparing
written rights complaints and appeals.

28 (g) Advise recipients that there are advocacy organizations29 available to assist recipients in preparing written rights

complaints and appeals and offer to refer recipients to those
 organizations.

3 (h) Upon receipt of a complaint, advise the complainant of the4 complaint process, appeal process, and mediation option.

5 (i) Ensure that each service site operated by the department
6 or by a provider under contract with the department, other than a
7 community mental health services program, is visited by recipient
8 rights staff with the frequency necessary for protection of rights
9 but in no case less than annually.

10 (j) Ensure that all individuals employed by the department 11 receive department-approved training related to recipient rights 12 protection before or within 30 days after being employed.

(k) Ensure that all reports of apparent or suspected violations of rights within state facilities or programs operated by providers under contract with the department other than community mental health services programs are investigated in accordance with section 778 and that those reports that do not warrant investigation are recorded in accordance with subdivision (c).

(l) Review semiannual statistical rights data submitted by
community mental health services programs and licensed hospitals to
determine trends and patterns in the protection of recipient rights
in the public mental health system and provide a summary of the
data to community mental health services programs and to the
department director. of the department.

26 (m) Serve as consultant to the director in matters related to27 recipient rights.

28 (n) At least quarterly, provide summary complaint data29 consistent with the annual report required in subdivision (o),

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together with a summary of remedial action taken on substantiated
 complaints, to the department, and the state recipient rights
 advisory committee, and the behavioral health ombudsman.

4 (o) Submit to the department director and to the committees
5 and subcommittees of the legislature with legislative oversight of
6 mental health matters, for availability to the public, an annual
7 report on the current status of recipient rights for the state. The
8 report shall must be submitted not later than March 31 of each year
9 for the preceding fiscal year. The annual report shall must
10 include, at a minimum, all of the following:

(i) Summary data by type or category regarding the rights of recipients receiving services from the department including the number of complaints received by each state facility and other state-operated placement agency, the number of reports filed, and the number of reports investigated.

16 (ii) The number of substantiated rights violations by category 17 and by state facility.

18 (*iii*) The remedial actions taken on substantiated rights19 violations by category and by state facility.

20 (iv) Training received by staff of the state office of 21 recipient rights.

(v) Training provided by the state office of recipient rightsto staff of contract providers.

24 (vi) Outcomes of assessments of the recipient rights system of25 each community mental health services program.

26 (vii) Identification of patterns and trends in rights27 protection in the public mental health system in this state.

28 (viii) Review of budgetary issues including staffing and29 financial resources.

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(*ix*) Summary of the results of any consumer satisfaction
 surveys conducted.

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(x) Recommendations to the department.

4 (p) Provide education and training to its recipient rights
5 advisory committee and its recipient rights appeals committee.
6 Sec. 755. (1) Each community mental health services program,
7 each contracted entity, and each licensed hospital shall establish
8 an office of recipient rights. Each office of recipient rights is
9 subordinate only to the its own executive director or hospital
10 director.

(2) Each community mental health services program, each
contracted entity, and each licensed hospital shall must ensure all
of the following:

14 (a) Education and training in recipient rights policies and
15 procedures are provided to its recipient rights advisory committee
16 and its recipient rights appeals committee.

17 (b) The process for funding the office of recipient rights18 includes a review of the funding by the recipient rights advisory19 committee.

20 (c) The office of recipient rights will be protected from
21 pressures that could interfere with the impartial, even-handed, and
22 thorough performance of its duties.

23 (d) The office of recipient rights will have unimpeded access24 to all of the following:

(i) All programs and services operated by or under contract
with the community mental health services program, contracted
entity, or licensed hospital.

28 (ii) All staff employed by or under contract with the community
29 mental health services program, contracted entity, or licensed

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1 hospital.

2 (iii) All evidence necessary to conduct a thorough investigation
3 or to fulfill its monitoring function.

4 (e) Staff of the office of recipient rights receive training5 each year in recipient rights protection.

6 (f) Each contract between the community mental health services
7 program, contracted entity, or licensed hospital and a provider
8 requires both of the following:

9 (i) That the provider and his or her employees receive10 recipient rights training.

11 (*ii*) That recipients will be protected from rights violations12 while they are receiving services under the contract.

13 (3) Each community mental health services program, each
14 contracted entity, and each licensed hospital shall endeavor to
15 ensure all of the following:

16 (a) Complainants, staff of the office of recipient rights, and
17 any staff acting on behalf of a recipient will be protected from
18 harassment or retaliation resulting from recipient rights
19 activities and that appropriate disciplinary action will be taken
20 if there is evidence of harassment or retaliation.

(b) Appropriate remedial action is taken to resolve violations
of rights and notify the complainants of substantiated violations
in a manner that does not violate employee rights.

(4) The executive director or hospital director shall select a
director of the office of recipient rights who has the education,
training, and experience to fulfill the responsibilities of the
office. The executive director shall not select, replace, or
dismiss the director of the office of recipient rights without
first consulting the recipient rights advisory committee. The

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director of the office of recipient rights shall have no direct
 clinical service responsibility.

3 (5) By not later than 2 years after the effective date of the 4 amendatory act that added this subsection, a multidisciplinary 5 council must be established to select a director of the office of 6 recipient rights. The director shall be a member of the behavioral 7 health accountability council established under the department 8 subordinate to the behavioral health ombudsman.

9 (6) (5) Each office of recipient rights established under this
10 section shall do all of the following:

11 (a) Provide or coordinate the protection of recipient rights12 for all directly operated or contracted services.

(b) Ensure that recipients, parents of minor recipients, and guardians or other legal representatives have access to summaries of the rights guaranteed by this chapter and chapter 7a and are notified of those rights in an understandable manner, both at the time services are initiated and periodically during the time services are provided to the recipient.

19 (c) Ensure that the telephone number and address of the office
20 of recipient rights and the names of rights officers are
21 conspicuously posted in all service sites.

(d) Maintain a record system for all reports of apparent or suspected rights violations received within the community mental health services program system or the licensed hospital system, including a mechanism for logging in all complaints and a mechanism for secure storage of all investigative documents and evidence.

27 (e) Ensure that each service site is visited with the
28 frequency necessary for protection of rights but in no case less
29 than annually.

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(f) Ensure that all individuals employed by the community
 mental health services program, contract agency, or licensed
 hospital receive training related to recipient rights protection
 before or within 30 days after being employed.

5 (g) Review the recipient rights policies and the rights system 6 of each provider of mental health services under contract with the 7 community mental health services program or licensed hospital to 8 ensure that the rights protection system of each provider is in 9 compliance with this act and is of a uniformly high standard.

10 (h) Serve as consultant to the executive director or hospital 11 director and to staff of the community mental health services 12 program or licensed hospital in matters related to recipient 13 rights.

(i) Ensure that all reports of apparent or suspected violations of rights within the community mental health services program system or licensed hospital system are investigated in accordance with section 778 and that those reports that do not warrant investigation are recorded in accordance with subdivision (d).

(j) Semiannually provide summary complaint data consistent with the annual report required in subsection (6), together with a summary of remedial action taken on substantiated complaints by category, to the department and to the recipient rights advisory committee of the community mental health services program or licensed hospital.

(7) (6) The executive director, nurse case manager, or
hospital director shall submit to the board of the community mental
health services program, the behavioral health ombudsman and
behavioral health accountability council, or the governing board of

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the licensed hospital and the department an annual report prepared 1 by the office of recipient rights on the current status of 2 recipient rights in the community mental health services program 3 system or licensed hospital system and a review of the operations 4 5 of the office of recipient rights. The report shall be submitted 6 not later than December 30 of each year for the preceding fiscal 7 vear or period specified in contract. The annual report shall 8 include, at a minimum, all of the following:

9 (a) Summary data by category regarding the rights of 10 recipients receiving services from the community mental health 11 services program, contracted entity, or licensed hospital including 12 complaints received, the number of reports filed, and the number of 13 reports investigated by provider.

14 (b) The number of substantiated rights violations by category15 and provider.

16 (c) The remedial actions taken on substantiated rights17 violations by category and provider.

18 (d) Training received by staff of the office of recipient19 rights.

20 (e) Training provided by the office of recipient rights to21 contract providers.

(f) Desired outcomes established for the office of recipientrights and progress toward these outcomes.

(g) Recommendations to the community mental health servicesprogram board or licensed hospital governing board.

Sec. 760. (1) The office of the behavioral health ombudsman is created as an autonomous entity within the department. The principal executive officer of the office is the behavioral health ombudsman, who shall be appointed by the governor with the advice

and consent of the senate. The behavioral health ombudsman shall
 serve at the pleasure of the governor. The individual must be
 qualified by training and experience to perform the duties of the
 office.

5 (2) The behavioral health ombudsman shall establish procedures 6 for approving the budget of the office, for expending funds of the 7 office, and for the employment of personnel for the office.

8 (3) The ombudsman shall establish procedures for receiving and 9 processing complaints from complainants and individuals not meeting 10 the definition of complainant, conducting investigations, holding 11 informal hearings, and reporting findings and recommendations 12 resulting from investigations.

Sec. 761. (1) The behavioral health accountability council iscreated within the office of the behavioral health ombudsman.

15 (2) The behavioral health accountability council shall consist16 of the following:

17 (a) The behavioral health ombudsman. The behavioral health18 ombudsman shall serve as chair of the council.

(b) The director of the office of recipient rights who wasselected as provided in section 755(5).

(c) An individual from each of the entities that were awardedthe request for proposal for the contracted entities.

23 (d) One individual representing the community mental health24 services programs.

(e) One individual representing an organization or institution
with experience in research on physical health and behavioral
health.

(f) Five individuals representing recipients of mental healthservices throughout this state, including northern Michigan or the

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1 Upper Peninsula.

2 (g) One individual representing a private provider or agency3 of substance use disorder services.

4 (h) Three individuals representing private providers of mental
5 health services throughout this state, including northern Michigan
6 or the Upper Peninsula.

7 (i) Individuals appointed by the senate majority leader, the
8 senate minority leader, the speaker of the house of
9 representatives, and the house minority leader.

(3) The behavioral health accountability council shall perform
its business at a public meeting of the behavioral health
accountability council held in compliance with the open meetings
act, 1976 PA 267, MCL 15.261 to 15.275.

14 (4) The behavioral health accountability council shall monitor 15 the progress of the integration efforts. The behavioral health accountability council is responsible for beginning a formal 16 17 evaluation of the integration process no later than 18 months after 18 the effective date of the contract. The evaluation must be completed within 6 months. The behavioral health accountability 19 20 council is responsible for providing the evaluation on the status 21 of the integration efforts and proposed recommendations, if any, to 22 the department. The evaluation, using consistent metrics, must 23 review the contracted entities.

(5) The evaluation described in subsection (4) must, at a
minimum, use the predefined key metrics created by the clinical
oversight committee established in section 762(1)(b) to assess the
integration efforts and evaluate the effectiveness. At a minimum,
the key metrics must do all of the following:

29

(a) Focus on assessing individuals with behavioral health

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diagnoses or physical and behavioral health comorbidities.

2 (b) Include measures related to patient-centered care, 3 including shared decision making, patient education, providerpatient communication, and patient or family experiences of care. 4

5 (c) Include evidence-based metrics to assess health outcomes, 6 coordination and continuity of care, utilization, cost, efficiency, 7 patient safety, and access to care.

8 (d) Include measures that utilize real-time performance data 9 of contracted entities.

10 (e) Leverage standards from national resources, including, but 11 not limited to, the Centers for Medicare and Medicaid Services, 12 National Committee for Quality Assurance, Substance Abuse and 13 Mental Health Services Administration, and Agency for Healthcare 14 Research and Quality.

15 (6) Following the completion of the formal evaluation required under subsection (4), the behavioral health accountability council 16 17 must submit a report to the department and the legislature with the 18 findings and include any recommendations.

19 Sec. 762. (1) The behavioral health accountability council 20 must establish standing and ad hoc committees or subcommittees to 21 carry out its duties. All committees or subcommittees established 22 must meet the same geographic and demographic equity requirements 23 as the council membership. Standing committees must include, but 24 are not limited to, the following:

25 (a) A substance use disorder oversight policy committee that 26 performs the following functions:

27 (i) Provide advice and recommendations regarding the 28 department's dissemination of funding for substance use disorder 29 treatment, prevention, or recovery services in the context of

1 state, federal, and local laws or regulations.

2 (*ii*) Provide advice and recommendations to ensure an adequate
3 network of substance use disorder treatment, prevention, or
4 recovery providers.

5 (b) A clinical oversight committee that consists of an 6 independent expert panel including, but not limited to, independent 7 experts in psychiatry, pediatrics, and internal medicine, and 8 representatives from the consumer oversight committee. The clinical 9 oversight committee must perform the following functions:

(i) Based on a review of the current literature, develop
treatment protocols for the diagnoses or conditions being treated
by the local behavioral health service providers to ensure that
quality care is available to all consumers.

(*ii*) By no later than July 1, 2024, develop predefined key
evaluation metrics, with consultation from members of the
behavioral health accountability council, to be used in measuring
and evaluating the success of the contracted entities.

(*iii*) Provide oversight regarding required clinical and personcentered outcomes that are to be included in service delivery
models.

(*iv*) Along with the department, and after a review of the current literature and consultation with national experts as needed, develop a model for frontline integration of physical and behavioral health care. Provide advice and recommendations regarding integrated care.

(v) Present the committee's report to the legislature. The
report must include the treatment protocols and model of
integration, as well as the outcome measures and recommendations
for improvements if needed.

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1 2 (c) A financial oversight committee.

(d) A consumer oversight committee.

3 (2) Each committee or subcommittee shall report to the 4 behavioral health ombudsman. The behavioral health ombudsman, with 5 guidance from the committees or subcommittees, is responsible for 6 making recommendations or changes based on the feedback or 7 recommendations from the committees or subcommittees.

8 Sec. 972. The department shall establish minimum standards and
9 requirements for certifying a crisis stabilization unit. Standards
10 and requirements include, but are not limited to, the following:

(a) A standard requiring the capacity to carry out emergency receiving and evaluating functions but not to the extent that brings the crisis stabilization unit under the provisions of section 1867 of the social security act, 42 USC 1395dd.

15 (b) Standards requiring implementation of voluntary and16 involuntary admission consistent with section 409.

17 (c) A prohibition from holding itself out as a hospital or18 from billing for hospital or inpatient services.

19 (d) Standards to prevent inappropriate referral between20 entities of common ownership.

(e) Standards regarding maximum length of stay at a crisis
stabilization unit with discharge planning upon intake to a
clinically appropriate level of care consistent with section

24 $\frac{409(7)}{.}$ 409(9).

25 (f) Standards of billing for services rendered at a crisis26 stabilization unit.

27 (g) Standards for reimbursement of services for uninsured
28 individuals, underinsured individuals, or both, and Medicaid
29 beneficiaries, including, but not limited to, formal agreements

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with community mental health services programs, or regional
entities, or contracted entities for services provided to
individuals utilizing public behavioral health funds, outreach and
enrollment for eligible health coverage, annual rate setting,
proper communication with payers, and methods for resolving billing
disputes between providers and payers.

7 8

(i) Nursing services.

9 (j) Staff to client ratios.

10 (k) Standards requiring a minimum amount of psychiatric 11 supervision of an individual receiving services in the crisis 12 stabilization unit that are consistent with the supervision 13 requirements applicable in a psychiatric hospital or psychiatric 14 unit setting.

15 (l) Standards requiring implementation and posting of16 recipients' rights under chapter 7.

(h) Physician oversight requirements.

17 (m) Safety and emergency protocols.

18 (n) Pharmacy services.

19 (o) Standards addressing administration of medication.

20 (p) Standards for reporting to the department.

21 (q) Standards regarding a departmental complaint process and 22 procedure affording patients the right to file complaints for 23 failure to provide services in accordance with required 24 certification standards. The complaint process and procedure must 25 be established and maintained by the department, must remain 26 separate and distinct from providers delivering services under this 27 chapter, and must not be a function delegated to a community mental 28 health services program or an entity under contract with a 29 community mental health services program. The complaint process

must provide for a system of appeals and administrative finality.
 Enacting section 1. This amendatory act does not take effect
 unless Senate Bill No. _____ or House Bill No. 4576 (request no.
 02496'23) of the 102nd Legislature is enacted into law.