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BILL ANALYSIS

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Senate Bill 591 (Substitute S-1 as reported)  
Sponsor: Senator Bev Hammerstrom  
Committee: Health Policy

### **CONTENT**

The bill would amend the Social Welfare Act to require the Detroit-Wayne County community mental health services program (CMHSP) to comply with Sections 204(4), 205, and 216 of the Mental Health Code, before contracting with the Department of Community Health (DCH) as a specialty prepaid health plan to provide specialty services and supports, effective October 1, 2004. (The phrase "specialty services and supports" is commonly understood to refer to Medicaid-covered services for the seriously mentally ill, the developmentally disabled, and those who suffer from addictive disorders.)

Section 204(4) would be added to the Mental Health Code by Senate Bill 1076, and would require the Detroit-Wayne County CMHSP to be established as a CMH authority as specified under Section 205.

Under Section 205, a county CMH agency or organization that is certified by the DCH may become a CMH authority through an enabling resolution adopted by the board of commissioners of each creating county after at least three public hearings. Section 205 identifies powers that a CMH authority has in addition to the powers of a CMHSP.

Section 216 of the Mental Health Code would be amended by Senate Bill 1077, which would revise the composition of the Detroit-Wayne County CMHSP board. Currently, the board consists of 12 members: six Detroit residents appointed by the city's chief executive officer, and six Wayne County residents, not from Detroit, appointed by the county's chief executive officer with the advice and consent of the county board of commissioners. Under Senate Bill 1077, the board would consist of two Detroit residents appointed by the mayor of Detroit; one Detroit resident appointed by the Detroit City Council; two Wayne County residents appointed by the county's chief executive officer; one Wayne County resident appointed by the county board of commissioners; two Wayne County residents appointed by the Governor with the advice and consent of the Senate; and one Wayne County resident appointed by the DCH Director.

Proposed MCL 400.109h

Legislative Analyst: Julie Koval

### **FISCAL IMPACT**

The bill would require a single-county community mental health board to become a CMH authority in order to contract to provide Medicaid mental health and substance abuse services. A single-county CMH board that was not reconstituted as a CMH authority by October 1, 2004, would no longer be eligible to provide Medicaid mental health and substance abuse services. If this occurred, other providers, either other CMH boards or private entities, would take over the provision of Medicaid services for that county. Such a change would have a clear but indeterminate fiscal impact on both the State and the county.

Date Completed: 4-8-04

Fiscal Analyst: Steve Angelotti