

# SENATE BILL No. 1079

March 4, 2004, Introduced by Senators JOHNSON and HAMMERSTROM and referred to the Committee on Health Policy.

A bill to amend 1974 PA 258, entitled "Mental health code," by amending section 232a (MCL 330.1232a), as amended by 2002 PA 597.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 232a. (1) Subject to section 114a, the department  
2 shall promulgate rules to establish standards for certification  
3 and the certification review process for community mental health  
4 services programs. The standards shall include but not be  
5 limited to all of the following:

6           (a) Matters of governance, resource management, quality  
7 improvement, service delivery, and safety management.

8           (b) Promotion and protection of recipient rights.

9       (2) After reviewing a community mental health services  
10 program, the department shall notify a program that substantially

1 complies with the standards established under this section that  
2 it is certified by the department.

3 (3) The department may waive the certification review process  
4 in whole or in part and consider the community mental health  
5 services program to be in substantial compliance with the  
6 standards established under this section if the program has  
7 received accreditation from a national accrediting organization  
8 recognized by the department that includes review of matters  
9 described in subsection (1)(a).

10 (4) If the department certifies a community mental health  
11 services program despite some items of noncompliance with the  
12 standards established under this section, the notice of  
13 certification shall identify the items of noncompliance and the  
14 program shall correct the items of noncompliance. The department  
15 shall require the community mental health board to submit a plan  
16 to correct items of noncompliance before recertification or  
17 sooner at the discretion of the department.

18 (5) Certification is effective for 3 years and is not  
19 transferable. Requests for recertification shall be submitted to  
20 the department at least 6 months before the expiration of  
21 certification. Certification remains in effect after the  
22 submission of a renewal request until the department conducts a  
23 review and makes a redetermination.

24 (6) The department shall conduct an annual review of each  
25 community mental health services program's recipient rights  
26 system to ensure compliance with standards established under  
27 subsection (1)(b). An on-site review shall be conducted once

1 every 3 years.

2 (7) The community mental health services program shall  
3 promptly notify the department of any changes that may affect  
4 continued certification.

5 (8) The department may deny certification if the community  
6 mental health services program cannot demonstrate substantial  
7 compliance with the standards established under this section.

8 (9) In lieu of denying certification, the department may  
9 issue a provisional certification for a period of up to 6 months  
10 upon receiving a plan of correction submitted by the community  
11 mental health services board. The department shall provide a  
12 copy of the review and the approved plan of correction to the  
13 board of commissioners of each county that established the county  
14 community mental health agency or created the community mental  
15 health organization or community mental health authority. A  
16 provisional certification may be extended, but the entire  
17 provisional period shall not exceed 1 year. The department shall  
18 conduct an on-site review to determine the community mental  
19 health services program's compliance with the plan of correction  
20 at least 30 days before the expiration of the provisional  
21 certification. A provisional certification automatically expires  
22 either on its original expiration date or the expiration date of  
23 the extension granted.

24 (10) If a community mental health services program is denied  
25 certification, fails to comply with an approved plan of  
26 correction before the expiration of a provisional certification,  
27 or fails to comply substantially with the standards established

1 under this section, the department shall notify the community  
2 mental health services board and the board of commissioners of  
3 each county that established the agency or created the  
4 organization or authority of the department's intention to  
5 suspend, deny, or revoke certification. The notice shall be sent  
6 by certified mail and shall set forth the particular reasons for  
7 the proposed action and offer an opportunity for a hearing with  
8 the director of the department's division that manages contracts  
9 with community mental health services programs. If it desires a  
10 hearing, the community mental health services board shall request  
11 it in writing within 60 days after receipt of the notice. The  
12 department shall hold the hearing not less than 30 days or more  
13 than 60 days from the date it receives the request for a  
14 hearing.

15 (11) The director of the department's division that manages  
16 contracts with community mental health services programs shall  
17 make a decision regarding suspension, denial, or revocation of  
18 certification based on evidence presented at the hearing or on  
19 the default of the community mental health services board. A  
20 copy of the decision shall be sent by certified mail within 45  
21 days after the close of the hearing to the community mental  
22 health services board and to the board of commissioners of each  
23 county that established the agency or created the organization or  
24 authority.

25 (12) A community mental health services board may appeal a  
26 decision made under subsection (11) as provided in chapter 4 of  
27 the administrative procedures act of 1969, ~~Act No. 306 of the~~

1 ~~Public Acts of 1969, being sections 24.271 to 24.287 of the~~  
2 ~~Michigan Compiled Laws— 1969 PA 306, MCL 24.271 to 24.287.~~

3 (13) During the period of certification, the department may  
4 conduct an unannounced review of a certified community mental  
5 health services program. The department shall conduct an  
6 unannounced review of a certified community mental health  
7 services program in response to information that raises questions  
8 regarding recipient health or safety. If the department finds  
9 based on its review that the community mental health services  
10 program does not substantially comply with the standards  
11 established under this section, the department shall provide  
12 notice and a hearing under subsections (10) and (11).

13 (14) If a community mental health services program fails to  
14 obtain or retain certification as a result of the department's  
15 review, has exhausted the time period for provisional  
16 certification, is not engaged in the process of appeal or appeal  
17 has been unsuccessful, and if no agreement has been reached by  
18 the department with the community mental health services program  
19 to assure certification compliance within a specified time  
20 period, the department shall within 90 days do both of the  
21 following:

22 (a) Cancel the state funding commitment to the community  
23 mental health services board.

24 (b) Utilize the funds previously provided to the community  
25 mental health services board to do 1 or more of the following:

26 (i) Secure services from other providers of mental health  
27 services that the department has determined can operate in

1 substantial compliance with the standards established under this  
2 section and continue the delivery of services within the county  
3 or counties.

4 (ii) Provide the service.

5 (15) If state funding is canceled under subsection (14) and  
6 the community mental health services program is an authority  
7 created under section 205, the county or counties that created  
8 the authority are financially liable only for the local match  
9 formula established for the authority under chapter 3. If state  
10 funding is canceled under subsection (14) and the community  
11 mental health services program is a county community mental  
12 health agency or a community mental health organization, the  
13 county or counties that established the agency are financially  
14 liable for local match for all services contractually or directly  
15 provided by the department to residents of the county or counties  
16 in accordance with chapter 3.

17 (16) The department shall not utilize the certification  
18 process under this section to require a community mental health  
19 services program to become a community mental health authority.  
20 ~~Community~~ **Except as provided in section 204(4), community**  
21 mental health authority status is voluntary as provided in  
22 section 205.

23 (17) Subject to section 114a, the department shall submit  
24 proposed rules for certification to public hearing within 6  
25 months after the effective date of the amendatory act that added  
26 this section.

27 Enacting section 1. This amendatory act does not take

1 effect unless all of the following bills of the 92nd Legislature  
2 are enacted into law:

3 (a) Senate Bill No. 1076.

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5 (b) Senate Bill No. 1077.

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7 (c) Senate Bill No. 1078.

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9 (d) Senate Bill No. 1080.

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