

**SUBSTITUTE FOR
SENATE BILL NO. 598**

A bill to amend 1974 PA 258, entitled
"Mental health code,"
by amending sections 100d, 116, 151, 153, 165, 202, 204, 204b, 206,
207, 207a, 208, 209a, 209b, 210, 226, 227, 232, 270, 271, 274, 275,
287, 409, 705, 713, 748, 752, 754, 755, and 972 (MCL 330.1100d,
330.1116, 330.1151, 330.1153, 330.1165, 330.1202, 330.1204,
330.1204b, 330.1206, 330.1207, 330.1207a, 330.1208, 330.1209a,
330.1209b, 330.1210, 330.1226, 330.1227, 330.1232, 330.1270,
330.1271, 330.1274, 330.1275, 330.1287, 330.1409, 330.1705,
330.1713, 330.1748, 330.1752, 330.1754, 330.1755, and 330.1972),
section 100d as amended by 2020 PA 99, section 116 as amended by
1998 PA 67, section 151 as amended by 2021 PA 21, sections 153,
206, 209a, 209b, 232, 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 204 as amended by 2012 PA 376, section 204b as added by 2002 PA 594, section 207a as added by 2014 PA 28, sections 208 and 210 as amended and sections 270, 271, 274, 275, and 287 as added by 2012 PA 500, section 226 as amended by 2014 PA 266, section 409 as amended and section 972 as added by 2020 PA 402, section 748 as amended by 2016 PA 559, and section 754 as amended by 2006 PA 604, and by adding sections 203, 760, and 761; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 100d. (1) "Service" means a mental health service or a
2 substance use disorder service.

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

14 (a) A substance use disorder.

15 (b) A developmental disorder.

16 (c) "V" codes in the Diagnostic and Statistical Manual of
17 Mental Disorders.

18 (3) "Serious mental illness" means a diagnosable mental,



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

14 (a) A substance use disorder.

15 (b) A developmental disorder.

16 (c) A "V" code in the Diagnostic and Statistical Manual of
17 Mental Disorders.

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

24 (5) "Specialized program" means a program of services,
25 supports, or treatment that are provided in an adult foster care
26 facility to meet the unique programmatic needs of individuals with
27 serious mental illness or developmental disability as set forth in
28 the resident's individual plan of services and for which the adult
29 foster care facility receives special compensation.



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

6 (7) **"Specialty integrated plan" means that term as defined in**
7 **section 109f of the social welfare act, 1939 PA 280, MCL 400.109f,**
8 **and that operates as a community mental health services program**
9 **under chapter 2.**

10 (8) ~~(7)~~—"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 (9) ~~(8)~~—"State facility" means a center or a hospital operated
14 by the department.

15 (10) ~~(9)~~—"State recipient rights advisory committee" means a
16 committee appointed by the director under section 756 to advise the
17 director and the director of the department's office of recipient
18 rights.

19 (11) ~~(10)~~—"Substance abuse" means the taking of alcohol or
20 other drugs at dosages that place an individual's social, economic,
21 psychological, and physical welfare in potential hazard or to the
22 extent that an individual loses the power of self-control as a
23 result of the use of alcohol or drugs, or while habitually under
24 the influence of alcohol or drugs, endangers public health, morals,
25 safety, or welfare, or a combination thereof.

26 (12) ~~(11)~~—"Substance use disorder" means chronic disorder in
27 which repeated use of alcohol, drugs, or both, results in
28 significant and adverse consequences. Substance use disorder
29 includes substance abuse.



1 **(13)** ~~(12)~~—"Substance use disorder prevention services" means
 2 services that are intended to reduce the consequences of substance
 3 use disorders in communities by preventing or delaying the onset of
 4 substance abuse and that are intended to reduce the progression of
 5 substance use disorders in individuals. Substance use disorder
 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 **(14)** ~~(13)~~—"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 use
 17 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.

21 **(15)** ~~(14)~~—"Supplemental security income" means the program
 22 authorized under title XVI of the social security act, 42 USC 1381
 23 to 1383f.

24 **(16)** ~~(15)~~—"Telemedicine" means the use of an electronic media
 25 to link patients with health care professionals in different
 26 locations. To be considered telemedicine under this section, the
 27 health care professional must be able to examine the patient via a
 28 health insurance portability and accountability act of 1996, Public
 29 Law 104-191 compliant, secure interactive audio or video, or both,



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

3 **(17)** ~~(16)~~—"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 **(18)** ~~(17)~~—"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.

15 **(19)** ~~(18)~~—"Treatment" means care, diagnostic, and therapeutic
16 services, including administration of drugs, and any other service
17 for treatment of an individual's serious mental illness, serious
18 emotional disturbance, or substance use disorder.

19 **(20)** ~~(19)~~—"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.

23 **(21)** ~~(20)~~—"Wraparound services" means an individually designed
24 set of services provided to minors with serious emotional
25 disturbance or serious mental illness and their families that
26 includes treatment services and personal support services or any
27 other supports necessary to foster education preparedness,
28 employability, and preservation of the child in the family home.
29 Wraparound services are to be developed through an interagency



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

3 Sec. 116. (1) Consistent with section 51 of article IV of the
4 state constitution of 1963, which declares that the health of the
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
12 citizens throughout the state. To this end, the department ~~shall~~
13 ~~have~~**has** the general powers and duties described in this section.

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

15 (a) Direct services to individuals who have a serious mental
16 illness, developmental disability, or serious emotional
17 disturbance. The department shall give priority to the following
18 services:

19 (i) Services for individuals with the most severe forms of
20 serious mental illness, serious emotional disturbance, or
21 developmental disability.

22 (ii) Services for individuals with serious mental illness,
23 serious emotional disturbance, or developmental disability who are
24 in urgent or emergency situations.

25 (b) Administer the provisions of chapter 2 ~~so as to~~ promote
26 and maintain an adequate and appropriate system of community mental
27 health services programs throughout the state. In the
28 administration of chapter 2, ~~it shall be the~~ **department's** objective
29 ~~of the department~~**is** to shift primary responsibility for the direct



1 delivery of public **non-Medicaid-funded** mental health services from
 2 the state to a community mental health services program **or a**
 3 **specialty integrated plan** whenever the community mental health
 4 services program has demonstrated a willingness and capacity to
 5 provide an adequate and appropriate system of mental health
 6 services for the citizens of that service area. **The department**
 7 **shall contract with licensed specialty integrated plans for**
 8 **financial and service delivery management of Medicaid-funded**
 9 **behavioral health services.**

10 (c) Engage in planning for the purpose of identifying,
 11 assessing, and enunciating the mental health needs of the state.

12 (d) Submit to the members of the house and senate standing
 13 committees and appropriation subcommittees with legislative
 14 oversight of mental health matters an annual report summarizing its
 15 assessment of the mental health needs of ~~the~~**this** state and
 16 incorporating information received from community mental health
 17 services programs under section 226 **and specialty integrated plans**
 18 **under section 109f of the social welfare act, 1939 PA 280, MCL**
 19 **400.109f.** The report ~~shall~~**must** include an estimate of the cost of
 20 meeting all identified needs. Additional information shall be made
 21 available to the legislature upon request.

22 (e) Endeavor to develop and establish arrangements and
 23 procedures for the effective coordination and integration of all
 24 public mental health services, and for effective cooperation
 25 between public and nonpublic services, for the purpose of providing
 26 a unified system of statewide mental health care.

27 (f) Review and evaluate the relevance, quality, effectiveness,
 28 and efficiency of mental health services being provided by the
 29 department and ~~assure~~**ensure** the review and evaluation of mental



1 health services provided by community mental health services
 2 programs **and specialty integrated plans**. The department shall
 3 establish and implement a structured system to provide data
 4 necessary for the reviews and evaluations.

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

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

10 (i) Support research activities.

11 (j) Support evaluation and quality improvement activities.

12 (k) Support training, consultation, and technical assistance
 13 regarding mental health programs and services and appropriate
 14 prevention and mental health promotion activities, including those
 15 that are culturally sensitive, to employees of the department,
 16 community mental health services programs, and other nonprofit
 17 agencies providing mental health services under contract with
 18 community mental health services programs.

19 (l) Support multicultural services.

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

21 (a) Direct services to individuals who have mental disorders
 22 that meet diagnostic criteria specified in the most recent
 23 diagnostic and statistical manual of mental health disorders
 24 published by the American ~~psychiatric association~~ **Psychiatric**
 25 **Association** and approved by the department and to the prevention of
 26 mental disability and the promotion of mental health. Resources
 27 that have been specifically appropriated for services to
 28 individuals with dementia, alcoholism, or substance ~~abuse,~~ **use**
 29 **disorder**, or for the prevention of mental disability and the



1 promotion of mental health shall be utilized for those specific
2 purposes.

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

7 (c) Operate mental health programs or facilities directly or
8 through contractual arrangement.

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

13 (i) Issuance of a voucher to a recipient of public mental
14 health services in accordance with the recipient's individual plan
15 of services and guidelines developed by the department.

16 (ii) Establishment of revolving loans to assist recipients of
17 public mental health services to acquire or maintain affordable
18 housing. Funding under this subparagraph shall only be provided
19 through an agreement with a nonprofit fiduciary in accordance with
20 guidelines and procedures developed by the department related to
21 the use, issuance, and accountability of revolving loans used for
22 recipient housing.

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

27 (f) Accept gifts, grants, bequests, and other donations for
28 use in performing its functions. Any money or property accepted
29 ~~shall~~**must** be used as directed by its donor and in accordance with



1 law and the rules and procedures of the department.

2 (g) ~~The department has~~ **Use** any other power necessary or
3 appropriate to fulfill those duties and exercise those powers that
4 have been given to the department by law and that are not otherwise
5 prohibited by law.

6 Sec. 151. (1) As used in this section:

7 (a) "Psychiatric facility" means a psychiatric hospital or
8 psychiatric unit licensed under section 134.

9 (b) "Registry" means the inpatient psychiatric bed registry
10 created in subsection (2).

11 (2) The department shall establish and administer an
12 electronic inpatient psychiatric bed registry. The registry must be
13 a web-based resource to identify available psychiatric beds in this
14 state categorized by patient gender, acuity, age, and diagnosis.
15 The registry must be accessible through the department's website.

16 (3) The department may, by contract, delegate creating,
17 operating, and maintaining the registry to a private entity.

18 (4) Psychiatric facilities and other providers determined by
19 the department must provide the department with the number of
20 inpatient psychiatric beds available in those facilities at the
21 time the information is provided. The information must be provided
22 by the psychiatric facilities and other providers on a basis as
23 close to real time as possible. Psychiatric facilities and other
24 providers must provide the department with this information as
25 specified under subsection (7).

26 (5) The registry must be made accessible to prepaid inpatient
27 health plans, licensed health plans **or specialty integrated plans,**
28 **whichever is applicable,** community mental health services programs,
29 acute care hospitals, psychiatric facilities, and employees and



1 caregivers with other appropriate providers.

2 (6) The department shall create a committee to provide
3 guidance on creating, operating, and maintaining the registry. The
4 committee shall include representatives from the following groups:

5 (a) The department.

6 (b) The department of licensing and regulatory affairs.

7 (c) Psychiatric facilities.

8 (d) End users of the registry as described under subsection

9 (5).

10 (e) Consumers, families, and advocates.

11 (f) Law enforcement.

12 (7) The department shall establish requirements for
13 psychiatric facilities and other providers as determined by the
14 department to report information to the department in consultation
15 with the committee established under subsection (6).

16 (8) The department must provide quarterly reports on the
17 progress of implementing the registry beginning on the first
18 quarter after ~~the effective date of the amendatory act that added~~
19 ~~this section.~~ **March 28, 2019.** The department must provide these
20 quarterly reports to the chairs of the house and senate committees
21 on health policy and the chairs of the house and senate
22 appropriations subcommittees for the department. ~~of health and~~
23 ~~human services.~~

24 (9) The department, in consultation with the committee
25 established under subsection (6), may establish a policy for the
26 secondary use of registry data.

27 (10) The department must provide all of the information listed
28 on the registry under this section to the contractor or entity that
29 operates or maintains the Michigan crisis and access line created



1 under section 165.

2 Sec. 153. (1) Subject to section 114a, the department ~~shall~~
 3 **must** promulgate rules for the placement of adults who have serious
 4 mental illness or developmental disability into community based
 5 dependent living settings by department agencies, community mental
 6 health services programs, and by agencies under contract to the
 7 department, ~~or to a~~ community mental health services program, **or a**
 8 **specialty integrated program**. The rules ~~shall~~**must** include, but not
 9 be limited to, the criteria to be used to determine a suitable
 10 placement and the specific agencies responsible for making
 11 decisions regarding a placement.

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

21 (3) Upon receipt of a request from an adult foster care
 22 facility for certification of a specialized program, the department
 23 ~~shall~~**must** inspect the facility to determine whether the proposed
 24 specialized program conforms with the requirements of this section
 25 and rules promulgated under this section. The department ~~shall~~**must**
 26 provide ~~the department of social services with an~~ inspection report
 27 and a certification, denial of certification, revocation, or
 28 certification with limited terms for the proposed specialized
 29 program. The department ~~shall~~**must** reinspect a certified



1 specialized program not less than once biennially and ~~notify the~~
 2 ~~department of social services~~ **make notification** in the same manner
 3 as for the initial certification. In carrying out this subsection,
 4 the department may contract with a community mental health services
 5 program, **specialty integrated program**, or any other agency.

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

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

14 (2) The department shall contract for the design, operation,
 15 and maintenance of the access line. The access line must be
 16 available 24 hours a day, 7 days a week. A contractor operating or
 17 maintaining the access line ~~shall~~ **must** do all of the following:

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

22 (b) Refer and connect individuals requiring mental health or
 23 substance use disorder services to mental health professionals,
 24 including, but not limited to, community mental health services
 25 programs, ~~and~~ prepaid inpatient health plans, **and specialty**
 26 **integrated plans**, using telecommunications and digital
 27 communications methods commonly in use, such as a telephone call,
 28 text message, ~~electronic mail,~~ **email**, and internet chat.

29 (c) Implement practices to comply with all applicable laws



1 respecting individual and patient privacy.

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

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

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

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

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

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

29 (5) The access line must be able to support calls relating to



1 services and supports described in section 206.

2 (6) An individual operating or maintaining the access line
3 under contract with the department has the same immunity provided
4 for a governmental employee under section 7 of 1964 PA 170, MCL
5 691.1407.

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

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

14 Sec. 202. (1) The state ~~shall~~**must** financially support, in
15 accordance with chapter 3, community mental health services
16 programs **and specialty integrated plans** that have been established
17 and that are administered according to the provisions of this
18 chapter.

19 (2) A community mental health services program ~~shall~~**or**
20 **specialty integrated plan, whichever is applicable, must** determine
21 an individual's eligibility for a private health insurer, Medicaid,
22 or Medicare and ~~shall~~**must** bill the private health insurer,
23 Medicaid, or Medicare first before expending money from the state
24 general fund for providing treatment and services under this act to
25 that individual.

26 **Sec. 203. Throughout this chapter, a specialty integrated plan**
27 **is not responsible for the duties set forth in this chapter until**
28 **after completion of a successful transition under the social**
29 **welfare act, 1939 PA 280, MCL 400.1 to 400.119b. After the**



1 specialty integrated plan has completed a successful transition,
 2 the specialty integrated plan shall take over the duties set forth
 3 in this chapter and the community mental health services program
 4 shall no longer be responsible for those duties. The behavioral
 5 health accountability council shall determine the successful
 6 transition at each phase of integration establishing when the
 7 specialty integrated plan is responsible and the community mental
 8 health services program is no longer responsible.

9 Sec. 204. (1) Except as provided in subsection (4) **or (5)**, a
 10 community mental health services program established under this
 11 chapter ~~shall~~**must** be a county community mental health agency, a
 12 community mental health organization, or a community mental health
 13 authority. A county community mental health agency is an official
 14 county agency. A community mental health organization or a
 15 community mental health authority is a public governmental entity
 16 separate from the county or counties that establish it.

17 (2) Procedures and policies for a community mental health
 18 organization or a community mental health authority shall be set by
 19 the board of the community mental health services program.
 20 Procedures and policies for a county community mental health agency
 21 shall be set by the board of commissioners or boards of
 22 commissioners as prescribed in this subsection. If a county
 23 community mental health services agency represents a single county,
 24 the county's board of commissioners ~~shall~~**must** determine the
 25 procedures and policies that ~~shall be~~**are** applicable to the agency.
 26 If a county community mental health services agency represents 2 or
 27 more counties, the boards of commissioners of the represented
 28 counties ~~shall~~**must** by agreement determine the procedures and
 29 policies that ~~shall be~~**are** applicable to the agency. In a charter



1 county with an elected county executive, the county executive shall
2 determine the procedures and policies that shall be applicable to
3 the agency.

4 (3) The procedures and policies for multicounty community
5 mental health services programs shall not take effect until at
6 least 3 public hearings on the proposed procedures and policies
7 have been held.

8 (4) Beginning October 1, 2013, in order to qualify for state
9 support under section 202, if a single county that has situated
10 totally within that county a city having a population of at least
11 500,000 establishes or administers a community mental health
12 services program, that community mental health services program
13 must be established and administered as a community mental health
14 authority as specified under section 205. Any operational changes
15 made by the community mental health agency that will require a
16 financial commitment from the community mental health authority
17 established as a result of the provisions of this subsection shall
18 be made in consultation with the department director.

19 **(5) A specialty integrated plan is a separate entity that**
20 **operates as a community mental health services program under this**
21 **chapter and is either of the following:**

22 **(a) A managed care organization.**

23 **(b) A system of health care delivery and financing as provided**
24 **under section 3573 of the insurance code of 1956, 1956 PA 218, MCL**
25 **500.3573.**

26 **(6) Procedures and policies for a specialty integrated plan**
27 **operating as a community mental health services program shall be**
28 **set by June 1, 2022.**

29 Sec. 204b. (1) A combination of community mental health



1 organizations or authorities may establish a regional entity by
2 adopting bylaws that satisfy the requirements of this section. A
3 community mental health agency may combine with a community mental
4 health organization or authority to establish a regional entity if
5 the board of commissioners of the county or counties represented by
6 the community mental health agency adopts bylaws that satisfy the
7 requirements of this section. All of the following shall be stated
8 in the bylaws establishing the regional entity:

9 (a) The purpose and power to be exercised by the regional
10 entity to carry out the provisions of this act, including the
11 manner by which the purpose shall be accomplished or the power
12 shall be exercised.

13 (b) The manner in which a community mental health services
14 program will participate in governing the regional entity,
15 including, but not limited to, all of the following:

16 (i) Whether a community mental health services program that
17 subsequently participates in the regional entity may participate in
18 governing activities.

19 (ii) The circumstances under which a participating community
20 mental health services program may withdraw from the regional
21 entity and the notice required for that withdrawal.

22 (iii) The process for designating the regional entity's officers
23 and the method of selecting the officers. This process shall
24 include appointing a fiscal officer who shall receive, deposit,
25 invest, and disburse the regional entity's funds in the manner
26 authorized by the bylaws or the regional entity's governing body. A
27 fiscal officer may hold another office or other employment with the
28 regional entity or a participating community mental health services
29 program.



1 (c) The manner in which the regional entity's assets and
2 liabilities shall be allocated to each participating community
3 mental health services program, including, at a minimum, all of the
4 following:

5 (i) The manner for equitably providing for, obtaining, and
6 allocating revenues derived from a federal or state grant or loan,
7 a gift, bequest, grant, or loan from a private source, or an
8 insurance payment or service fee.

9 (ii) The method or formula for equitably allocating and
10 financing the regional entity's capital and operating costs,
11 payments to reserve funds authorized by law, and payments of
12 principal and interest on obligations.

13 (iii) The method for allocating any of the regional entity's
14 other assets.

15 (iv) The manner in which, after the completion of its purpose
16 as specified in the regional entity's bylaws, any surplus funds
17 shall be returned to the participating community mental health
18 services programs.

19 (d) The manner in which a participating community mental
20 health services program's special fund account created under
21 section 226a shall be allocated.

22 (e) A process providing for strict accountability of all funds
23 and the manner in which reports, including an annual independent
24 audit of all the regional entity's receipts and disbursements,
25 shall be prepared and presented.

26 (f) The manner in which the regional entity shall enter into
27 contracts including a contract involving the acquisition,
28 ownership, custody, operation, maintenance, lease, or sale of real
29 or personal property and the disposition, division, or distribution



1 of property acquired through the execution of the contract.

2 (g) The manner for adjudicating a dispute or disagreement
3 among participating community mental health services programs.

4 (h) The effect of a participating community mental health
5 service program's failure to pay its designated share of the
6 regional entity's costs and expenses, and the rights of the other
7 participating community mental health services programs as a result
8 of that failure.

9 (i) The process and vote required to amend the bylaws.

10 (j) Any other necessary and proper matter agreed to by the
11 participating community mental health services programs.

12 (2) Except as otherwise stated in the bylaws, a regional
13 entity has all of the following powers:

14 (a) The power, privilege, or authority that the participating
15 community mental health services programs share in common and may
16 exercise separately under this act, whether or not that power,
17 privilege, or authority is specified in the bylaws establishing the
18 regional entity.

19 (b) The power to contract with the state to serve as the
20 ~~medicaid~~ **Medicaid** specialty service prepaid health plan for the
21 designated service areas of the participating community mental
22 health services programs.

23 (c) The power to accept funds, grants, gifts, or services from
24 the federal government or a federal agency, the state or a state
25 department, agency, instrumentality, or political subdivision, or
26 any other governmental unit whether or not that governmental unit
27 participates in the regional entity, and from a private or civic
28 source.

29 (d) The power to enter into a contract with a participating



1 community mental health service program **or specialty integrated**
2 **plan under the Medicaid managed care program described in section**
3 **109f of the social welfare act, 1939 PA 280, MCL 400.109f**, for any
4 service to be performed for, by, or from the participating
5 community mental health services program.

6 (e) The power to create a risk pool and take other action as
7 necessary to reduce the risk that a participating community mental
8 health services program otherwise bears individually.

9 (3) A regional entity established under this section is a
10 public governmental entity separate from the county, authority, or
11 organization that establishes it.

12 (4) All the privileges and immunity from liability and
13 exemptions from laws, ordinances, and rules provided under section
14 205(3)(b) to county community mental health service programs and
15 their board members, officers, and administrators, and county
16 elected officials and employees of county government are retained
17 by a regional entity created under this section and the regional
18 entity's board members, officers, agents, and employees.

19 (5) A regional entity shall provide an annual report of its
20 activities to each participating community mental health services
21 program.

22 (6) The regional entity's bylaws shall be filed with the clerk
23 of each county in which a participating community mental health
24 services program is located and with the secretary of state, before
25 the bylaws take effect.

26 (7) If a regional entity assumes the duties of a participating
27 community mental health services program or contracts with a
28 private individual or entity to assume the duties of a
29 participating community mental health services program, the



1 regional entity shall comply with all of the following:

2 (a) The manner of employing, compensating, transferring, or
3 discharging necessary personnel is subject to the provisions of the
4 applicable civil service and merit systems and the following
5 restrictions:

6 (i) An employee of a regional entity is a public employee.

7 (ii) A regional entity and its employees are subject to 1947 PA
8 336, MCL 423.201 to 423.217.

9 (b) At the time a regional entity is established under this
10 section, the employees of the participating community mental health
11 services program who are transferred to the regional entity and
12 appointed as employees shall retain all the rights and benefits for
13 1 year. If at the time a regional entity is established under this
14 section a participating community mental health services program
15 ceases to operate, the employees of the participating community
16 mental health services program shall be transferred to the regional
17 entity and appointed as employees who shall retain all the rights
18 and benefits for 1 year. An employee of the regional entity shall
19 not, by reason of the transfer, be placed in a worse position for a
20 period of 1 year with respect to worker's compensation, pension,
21 seniority, wages, sick leave, vacation, health and welfare
22 insurance, or another benefit that the employee had as an employee
23 of the participating community mental health services program. A
24 transferred employee's accrued benefits or credits shall not be
25 diminished by reason of the transfer.

26 (c) If a participating community mental health services
27 program was the designated employer or participated in the
28 development of a collective bargaining agreement, the regional
29 entity assumes and is bound by the existing collective bargaining



1 agreement. Establishing a regional entity does not adversely affect
 2 existing rights or obligations contained in the existing collective
 3 bargaining agreement. For the purposes of this subsection,
 4 "participation in the development of a collective bargaining
 5 agreement" means that a representative of the participating
 6 community mental health services program actively participated in
 7 bargaining sessions with the employer representative and union or
 8 was consulted during the bargaining process.

9 Sec. 206. (1) The purpose of a community mental health
 10 services program ~~shall be~~ **and a specialty integrated plan is** to
 11 provide a comprehensive array of mental health services appropriate
 12 to conditions of individuals who are located within its geographic
 13 service area, regardless of an individual's ability to pay. **A**
 14 **specialty integrated plan is required to offer the same array of**
 15 **services for Medicaid beneficiaries enrolled in the specialty**
 16 **integrated plan.** The array of mental health services shall include,
 17 at a minimum, all of the following:

18 (a) Crisis stabilization and response including a 24-hour, 7-
 19 day per week, crisis emergency service that is prepared to respond
 20 to persons experiencing acute emotional, behavioral, or social
 21 dysfunctions, and the provision of inpatient or other protective
 22 environment for treatment.

23 (b) Identification, assessment, and diagnosis to determine the
 24 specific needs of the recipient and to develop an individual plan
 25 of services.

26 (c) Planning, linking, coordinating, follow-up, and monitoring
 27 to assist the recipient in gaining access to services.

28 (d) Specialized mental health recipient training, treatment,
 29 and support, including therapeutic clinical interactions,



1 socialization and adaptive skill and coping skill training, health
 2 and rehabilitative services, and pre-vocational and vocational
 3 services.

4 (e) Recipient rights services.

5 (f) Mental health advocacy.

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

9 (h) Any other service approved by the department.

10 (2) Services ~~shall~~**must** promote the best interests of the
 11 individual and ~~shall~~**must** be designed to increase independence,
 12 improve quality of life, and support community integration and
 13 inclusion. Services for children and families ~~shall~~**must** promote
 14 the best interests of the individual receiving services and shall
 15 be designed to strengthen and preserve the family unit if
 16 appropriate. The community mental health services program **and**
 17 **specialty integrated plan** shall deliver services in a manner that
 18 demonstrates they are based upon recipient choice and involvement,
 19 and shall include wraparound services when appropriate.

20 Sec. 207. Each community mental health services program **and**
 21 **specialty integrated plan** shall provide services designed to divert
 22 persons with serious mental illness, serious emotional disturbance,
 23 or developmental disability from possible jail incarceration when
 24 appropriate. These services shall be consistent with policy
 25 established by the department.

26 Sec. 207a. (1) ~~Not later than October 1, 2014, each~~ **Each**
 27 county ~~shall~~**must** have a written interagency agreement in place for
 28 a collaborative program to provide mental health treatment and
 29 assistance, if permitted by law and considered appropriate, to



1 ~~persons~~**individuals** with serious mental illness who are considered
2 at risk for 1 or more of the following:

3 (a) Entering the criminal justice system.

4 (b) Not receiving needed mental health treatment services
5 during a period of incarceration in a county jail.

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

8 (d) Being committed to the jurisdiction of the department of
9 corrections.

10 (2) Parties to the interagency agreement referenced in
11 subsection (1) shall include, at a minimum, all of the following:

12 (a) The county sheriff's department.

13 (b) The county prosecutor's office.

14 (c) The community mental health services program that provides
15 services in that county.

16 (d) The county board of commissioners.

17 (e) A district court judge who serves in that county or, if
18 there is more than 1 district in the county, a district court judge
19 who serves in the county who is designated either by the chief
20 judge of a district court within that county or a chief judge with
21 authority over a district court in that county.

22 (f) A circuit court judge who serves in that county who is
23 designated either by the chief judge of the circuit court or by a
24 chief judge with authority over the circuit court in that county.

25 **(g) A Medicaid health plan serving individuals in the county.**

26 (3) The interagency agreement referenced in subsection (1)
27 ~~shall,~~**must**, at a minimum, cover all of the following areas:

28 (a) Guidelines for program eligibility.

29 (b) Interparty communication and coordination.



1 (c) Day-to-day program administration.

2 (d) Involvement of service consumers, family members, and
3 other stakeholders.

4 (e) How the program shall work with local courts.

5 (f) How the program shall address potential participants
6 before and after criminal charges have been filed.

7 (g) Resource sharing between the parties to the interagency
8 agreement.

9 (h) Screening and assessment procedures.

10 (i) Guidelines for case management.

11 (j) How the program described in subsection (1) will work with
12 county jails.

13 (k) Criteria for completing the program described in
14 subsection (1).

15 (l) Mental health treatment services that are available through
16 the program described in subsection (1).

17 (m) Procedures for first response to potential cases,
18 including response to crises.

19 (n) How the administrators of the program described in
20 subsection (1) will report the program's actions and outcomes to
21 the public.

22 (4) A county that has a written interagency agreement
23 referenced in subsection (1) in place on ~~the effective date of the~~
24 ~~amendatory act that added this section~~ **March 6, 2014** may maintain
25 that interagency agreement, but must ensure that its interagency
26 agreement contains all of the provisions described in subsection
27 (3).

28 (5) The department, the state court administrative office, and
29 parties to the interagency agreement may establish additional



1 policies and procedures to be included in the county interagency
2 agreement required under this section.

3 (6) The department may promulgate rules to implement this
4 section according to the administrative procedures act of 1969,
5 1969 PA 306, MCL 24.201 to 24.328.

6 (7) A county is not required to provide funds for the program
7 described in subsection (1). In implementing ~~the provisions of this~~
8 section, a county is required to expend funds for the program
9 described in subsection (1) only to the extent appropriated
10 annually by the legislature for the program.

11 Sec. 208. (1) Services provided by a community mental health
12 services program **and a specialty integrated plan** shall be directed
13 to individuals who have a serious mental illness, serious emotional
14 disturbance, or developmental disability.

15 (2) Services may be directed to individuals who have other
16 mental disorders that meet criteria specified in the most recent
17 diagnostic and statistical manual of mental health disorders
18 published by the American ~~psychiatric association~~ **Psychiatric**
19 **Association** and may also be directed to the prevention of mental
20 disability and the promotion of mental health. Resources that have
21 been specifically designated to community mental health services
22 programs **and specialty integrated plans** for services to individuals
23 with dementia, alcoholism, or substance use disorder or for the
24 prevention of mental disability and the promotion of mental health
25 shall be utilized for those specific purposes.

26 (3) Priority shall be given to the provision of services to
27 individuals with the most severe forms of serious mental illness,
28 serious emotional disturbance, and developmental disability.
29 Priority shall also be given to the provision of services to



1 individuals with a serious mental illness, serious emotional
2 disturbance, or developmental disability in urgent or emergency
3 situations.

4 (4) An individual shall not be denied a service because an
5 individual who is financially liable is unable to pay for the
6 service.

7 Sec. 209a. (1) The appropriate community mental health
8 services program **or specialty integrated plan**, with the assistance
9 of the state facility or licensed hospital under contract with a
10 community mental health services program **or specialty integrated**
11 **plan**, or the state facility shall develop an individualized
12 prerelease plan for appropriate community placement and a
13 prerelease plan for aftercare services appropriate for each
14 resident. If possible, the resident shall participate in the
15 development of a prerelease plan. In developing a prerelease plan
16 for a minor, the community mental health services program **or**
17 **specialty integrated plan** shall include all of the following in the
18 planning process if possible:

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

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

21 (c) Personnel from the school and other agencies.

22 (2) If the responsible community mental health services
23 program **or specialty integrated plan** cannot locate suitable
24 aftercare service with a residential component or an alternative to
25 hospitalization in its service area, but the service is available
26 from another service provider, the responsible community mental
27 health service program **or specialty integrated plan** may contract
28 for the provision of services. The service shall be located as
29 close to the individual's place of residence as possible.



1 (3) If a recipient of inpatient services provided through a
 2 community mental health services program **or specialty integrated**
 3 **plan** is to be released, the licensed hospital under contract with a
 4 community mental health services program **or specialty integrated**
 5 **plan** or a state facility shall provide the responsible community
 6 mental health services program **or specialty integrated plan** with
 7 advance notice of an individual's anticipated release from patient
 8 care. The community mental health services program **or specialty**
 9 **integrated plan** shall offer prerelease planning services and
 10 develop a release plan in cooperation with the individual unless
 11 the individual refuses this service.

12 (4) If a recipient of inpatient services provided through a
 13 community mental health services program **or specialty integrated**
 14 **plan** is released before a prerelease plan can be completed, the
 15 community mental health services program **or specialty integrated**
 16 **plan** shall offer to assist the recipient in the development of a
 17 postrelease plan within 10 days after release.

18 (5) Unless covered by contractual agreement, disclosure of
 19 information about the individual by the state facility or licensed
 20 hospital shall be made to those individuals involved in the
 21 development of the prerelease or postrelease plan or current
 22 individual plan of services, but ~~shall be~~ **is** limited to the
 23 following:

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

26 (b) Other information necessary to determine financial and
 27 social service needs, program needs, residential needs, and
 28 medication needs.

29 Sec. 209b. (1) Before an individual is placed in a supervised



1 community living arrangement, such as a foster home, group care
 2 home, nursing home, or other community-based setting, the
 3 prerelease or postrelease planning for the individual shall involve
 4 the individual, the individual's legal guardian if a guardian has
 5 been appointed; any family member, friend, advocate, and
 6 professional the recipient chooses; the parents of a minor
 7 individual; the state facility or licensed hospital; the
 8 residential care provider, if such a provider has been selected;
 9 and, with the consent of the individual, the appropriate local and
 10 intermediate school systems and the department of social services,
 11 if appropriate. In each case, the community mental health services
 12 program **or specialty integrated plan** shall produce in writing a
 13 plan for community placement and aftercare services that is
 14 sufficient to meet the needs of the individual and shall document
 15 any lack of available community services necessary to implement the
 16 plan.

17 (2) Each community mental health services program **or specialty**
 18 **integrated plan**, as requested, shall send to the department
 19 aggregate data, which includes a list of services that were
 20 indicated on prerelease or postrelease plans, but which could not
 21 be provided.

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

26 ~~(2) A department-designated community mental health entity~~
 27 ~~shall coordinate the provision of substance use disorder services~~
 28 ~~in its region and shall ensure services are available for~~
 29 ~~individuals with substance use disorder.~~



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

3 (a) Annually conduct a needs assessment to determine the
4 mental health needs of the residents of the county or counties it
5 represents and identify public and nonpublic services necessary to
6 meet those needs. Information and data concerning the mental health
7 needs of individuals with developmental disability, serious mental
8 illness, and serious emotional disturbance ~~shall~~**must** be reported
9 to the department in accordance with procedures and at a time
10 established by the department, along with plans to meet identified
11 needs. It is the responsibility of the community mental health
12 services program to involve the public and private providers of
13 mental health services located in the county or counties served by
14 the community mental health program in this assessment and service
15 identification process. The needs assessment ~~shall~~**must** include
16 information gathered from all appropriate sources, including
17 community mental health waiting list data, **specialty integrated**
18 **plan data**, and school districts providing special education
19 services, **consistent with and necessary to complete the needs**
20 **assessment as specified by the department.**

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

26 (c) In the case of a county community mental health agency,
27 obtain approval of its needs assessment, annual plan and budget,
28 and request for new funds from the board of commissioners of each
29 participating county before ~~submission of~~**submitting** the plan to



1 the department. In the case of a community mental health
2 organization, provide a copy of its needs assessment, annual plan,
3 request for new funds, and any other document specified in
4 accordance with the terms and conditions of the organization's
5 inter-local agreement to the board of commissioners of each county
6 creating the organization. In the case of a community mental health
7 authority, provide a copy of its needs assessment, annual plan, and
8 request for new funds to the board of commissioners of each county
9 creating the authority.

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

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

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

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

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

26 (i) Approve and authorize all contracts for ~~the provision of~~
27 **providing** services.

28 (j) Review and evaluate the quality, effectiveness, and
29 efficiency of services being provided by the community mental



1 health services program. The board shall identify specific
 2 performance criteria and standards to be used in the review and
 3 evaluation. These shall be in writing and available for public
 4 inspection upon request.

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

8 (l) Establish general policy guidelines within which the
 9 executive director shall execute the community mental health
 10 services program.

11 (m) Require the executive director to select a physician, a
 12 registered professional nurse with a specialty certification issued
 13 under section 17210 of the public health code, 1978 PA 368, MCL
 14 333.17210, or a licensed psychologist to advise the executive
 15 director on treatment issues.

16 **(n) Report monthly to the behavioral health ombudsman and the**
 17 **behavioral health accountability council on the progress of the**
 18 **specialty integrated plans.**

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

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

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

26 (ii) Provide funding for the purpose of establishing revolving
 27 loans to assist recipients of public mental health services to
 28 acquire or maintain affordable housing. Funding under this
 29 subparagraph shall only be provided through an agreement with a



1 nonprofit fiduciary.

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

6 (c) Carry forward the operating margin up to 5% of the
7 community mental health services program's state share of the
8 operating budget for the fiscal years ending September 30, 2009,
9 2010, and 2011. As used in this subdivision, "operating margin"
10 means the excess of state revenue over state expenditures for a
11 single fiscal year exclusive of capitated payments under a managed
12 care system. In the case of a community mental health authority,
13 this carryforward is in addition to the reserve accounts described
14 in section 205(4) (h).

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

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

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

28 (3) In the case of a county community mental health agency,
29 the initial appointment by the board of an individual as executive



1 director is effective unless rejected by a 2/3 vote of the county
2 board of commissioners within 15 calendar days.

3 (4) A community mental health services program that has
4 provided assisted outpatient treatment services during a fiscal
5 year may be eligible for reimbursement if an appropriation is made
6 for assisted outpatient treatment services for that fiscal year.
7 The reimbursement described in this subsection is in addition to
8 any funds that the community mental health services program is
9 otherwise eligible to receive for providing assisted outpatient
10 treatment services.

11 Sec. 227. Each community mental health services program ~~shall~~
12 **or specialty integrated plan must** participate in the development of
13 school-to-community transition services for individuals with
14 serious mental illness, serious emotional disturbance, or
15 developmental disability. This planning and development shall be
16 done in conjunction with the individual's local school district or
17 intermediate school district as appropriate and shall begin not
18 later than the school year in which the individual student reaches
19 16 years of age. These services ~~shall~~**must** be individualized. This
20 section is not intended to increase or decrease the fiscal
21 responsibility of school districts, community mental health
22 services programs, **specialty integrated programs**, or any other
23 agency or organization with respect to individuals described in
24 this section.

25 Sec. 232. The department shall review each community mental
26 health services program's annual plan, needs assessment, request
27 for funds, annual contract, and operating budget and approve or
28 disapprove state funding in whole or in part. Eligibility for state
29 financial support shall be contingent upon an approved contract and



1 operating budget and certification in accordance with section 232a.
2 ~~Prior to~~ **Before** the beginning of each state fiscal year, the
3 department shall allocate ~~state appropriated~~ funds to the community
4 mental health service programs in accordance with the approved
5 contracts and budgets.

6 Sec. 270. The department shall do all of the following:

7 (a) Administer and coordinate state administered funds for
8 substance use disorder treatment and rehabilitation services and
9 substance use disorder prevention services.

10 (b) Use appropriations of revenues from taxes imposed by the
11 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to
12 436.2303, exclusively for the purposes provided in that act.

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

17 (d) Provide technical assistance to department-designated
18 community mental health entities, **specialty integrated plans**, and
19 community mental health services programs and to treatment,
20 rehabilitation, and prevention agencies for the purposes of program
21 development, administration, and evaluation.

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

27 (f) Evaluate, in cooperation with appropriate state
28 departments and agencies, the effectiveness of substance use
29 disorder services in the state funded by federal, state, local, and



1 private resources, and annually during the month of November,
 2 report a summary of the detailed evaluation to the governor and the
 3 legislature.

4 Sec. 271. The department shall do both of the following:

5 (a) Cooperate with agencies of the federal government and
 6 receive and use federal funds for purposes authorized by the
 7 legislature.

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

16 Sec. 274. ~~A department-designated community mental health~~ **An**
 17 entity designated by the director to assume responsibility for
 18 providing substance use disorder services for a county or
 19 multicounty region, with assistance from its ~~community mental~~
 20 ~~health services program provider network,~~ ~~shall~~ **must** do all of the
 21 following:

22 (a) Develop comprehensive plans for substance use disorder
 23 treatment and rehabilitation services and substance use disorder
 24 prevention services consistent with guidelines established by the
 25 department.

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

29 (c) Provide technical assistance for local substance use



1 disorder service programs.

2 (d) Collect and transfer data and financial information from
3 local programs to the department of licensing and regulatory
4 affairs.

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

10 (f) Make contracts necessary and incidental to the performance
11 of the ~~department-designated community mental health entity's and~~
12 ~~community mental health services program's~~ functions. The contracts
13 may be made with public or private agencies, organizations,
14 associations, and individuals to provide for substance use disorder
15 treatment and rehabilitation services and substance use disorder
16 prevention services.

17 (g) Annually evaluate and assess substance use disorder
18 services ~~in the department-designated community mental health~~
19 ~~entity~~ in accordance with guidelines established by the department.

20 Sec. 275. (1) Subject to subsection (2), if a ~~department-~~
21 ~~designated community mental health~~ **an** entity under this chapter
22 maintains a waiting list for services, the ~~department-designated~~
23 ~~community mental health entity~~ **shall** **must** place a parent whose
24 child has been removed from the home under the child protection
25 laws of this state or is in danger of being removed from the home
26 under the child protection laws of this state because of the
27 parent's substance use disorder in a priority position on the
28 waiting list above all other applicants with substantially similar
29 clinical conditions.



1 (2) If a ~~department-designated community mental health~~**an**
 2 entity receives federal substance abuse prevention and treatment
 3 block grant funds, the priority position of the parent on the
 4 waiting list granted under subsection (1) will come after a
 5 priority position on the waiting list granted under the conditions
 6 of the federal block grant. If the parent qualifies for priority
 7 status on the waiting list under the conditions of the federal
 8 block grant, the ~~department-designated community mental health~~
 9 entity ~~shall~~**must** place the parent in that priority position on the
 10 waiting list.

11 Sec. 287. (1) The composition of the department-designated
 12 community mental health entity board shall consist of
 13 representatives of mental health, developmental or intellectual
 14 disabilities, and substance use disorder services.

15 (2) The department-designated community mental health entity
 16 **and specialty integrated plan** shall ensure that funding dedicated
 17 to substance use disorder services shall be retained for substance
 18 use disorder services and not diverted to fund services that are
 19 not for substance use disorders.

20 (3) A department-designated community mental health entity
 21 designated by the director to assume the responsibilities of
 22 providing substance use disorder services for a county or region
 23 shall retain the existing providers who are under contract to
 24 provide substance use disorder treatment and prevention services
 25 for a period of 2 years after ~~the effective date of the amendatory~~
 26 ~~act that added this section.~~ **December 28, 2012.** Unless another plan
 27 is approved by the county board of commissioners, counties or
 28 regions that have local public health departments that contract
 29 with substance use disorder providers on ~~the effective date of the~~



1 ~~amendatory act that added this section~~ **December 28, 2012** shall
 2 continue to allow the local public health department to carry out
 3 that function for 2 years after ~~the effective date of the~~
 4 ~~amendatory act that added this section.~~ **December 28, 2012. Beginning**
 5 **not later than January 1, 2026 or upon implementation of a**
 6 **specialty integrated plan as provided under section 109f(4) (b) of**
 7 **the social welfare act, 1939 PA 280, MCL 400.109f, whichever is**
 8 **sooner, the director may designate a specialty integrated plan to**
 9 **assume the responsibilities of providing substance use disorder**
 10 **services for a county or region.**

11 (4) The department, ~~and the department-designated community~~
 12 ~~mental health entity,~~ **and the specialty integrated plan** shall
 13 continue to use the allocation formula based on federal and state
 14 data sources to allocate and distribute nonmedical assistance
 15 substance use disorder services funds.

16 (5) A department-designated community mental health entity
 17 shall establish a substance use disorder oversight policy board
 18 through a contractual agreement between the department-designated
 19 community mental health entity and each of the counties served by
 20 the community mental health services program under 1967 (Ex Sess)
 21 PA 8, MCL 124.531 to 124.536, or other appropriate state law. The
 22 substance use disorder oversight policy board shall include the
 23 members called for in the establishing agreement, but shall have at
 24 least 1 board member appointed by the county board of commissioners
 25 for each county served by the department-designated community
 26 mental health entity. The substance use disorder oversight policy
 27 board shall perform the functions and responsibilities assigned to
 28 it through the establishing agreement, which shall include at least
 29 the following responsibilities:



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

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

8 (c) Advice and recommendations regarding contracts with
 9 substance use disorder treatment or prevention providers.

10 (d) Any other terms as agreed to by the participating parties
 11 consistent with the authorizing legislation.

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

16 (7) The department shall work with department-designated
 17 community mental health entities, ~~and~~ community mental health
 18 services programs, **and specialty integrated plans** to simplify the
 19 administrative and reporting requirements for mental health
 20 services and substance use disorder services.

21 (8) ~~Beginning not later than October 1, 2014, or at the time~~
 22 ~~the implementation of the changes in this chapter are complete,~~
 23 ~~whichever is sooner, department-designated~~ **Department-designated**
 24 community mental health entities are coordinating agencies for
 25 purposes of receiving any funds statutorily required to be
 26 distributed to coordinating agencies. **Beginning not later than**
 27 **January 1, 2026, or upon implementation of a specialty integrated**
 28 **plan as provided under section 109f(4) of the social welfare act,**
 29 **1939 PA 280, MCL 400.109f, whichever is sooner, specialty**



1 **integrated plans are coordinating agencies for purposes of**
2 **receiving any funds statutorily required to be distributed to**
3 **coordinating agencies.**

4 Sec. 409. (1) Each community mental health services program
5 shall establish 1 or more preadmission screening units with 24-hour
6 availability to provide assessment and screening services for
7 individuals being considered for admission into hospitals, assisted
8 outpatient treatment programs, or crisis services on a voluntary
9 basis. The community mental health services program shall employ
10 mental health professionals or licensed bachelor's social workers
11 licensed under part 185 of the public health code, 1978 PA 368, MCL
12 333.18501 to 333.18518, to provide the preadmission screening
13 services or contract with another agency that meets the
14 requirements of this section. Preadmission screening unit staff
15 shall be supervised by a registered professional nurse or other
16 mental health professional possessing at least a master's degree. **A**
17 **specialty integrated plan must establish or contract with a**
18 **community mental health services program for a preadmission**
19 **screening unit in each community mental health services program**
20 **location that it serves.**

21 (2) Each community mental health services program **and**
22 **specialty integrated plan** shall provide the address and telephone
23 number of its preadmission screening unit or units to law
24 enforcement agencies, the department, the court, and hospital
25 emergency rooms.

26 (3) A preadmission screening unit shall assess an individual
27 being considered for admission into a hospital operated by the
28 department or under contract with the community mental health
29 services program **or specialty integrated plan.** If the individual is



1 clinically suitable for hospitalization, the preadmission screening
2 unit shall authorize voluntary admission to the hospital.

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

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

29 (6) A preadmission screening unit shall assess and examine, or



1 refer to a hospital for examination, an individual who is brought
2 to the preadmission screening unit by a peace officer or ordered by
3 a court to be examined. If the individual meets the requirements
4 for hospitalization, the preadmission screening unit shall
5 designate the hospital to which the individual shall be admitted.
6 The preadmission screening unit shall consult with the individual
7 and, if the individual agrees, the preadmission screening unit must
8 consult with the individual's family member of choice, if
9 available, as to the preferred hospital for admission of the
10 individual.

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

- 22 (a) The individual is no longer a person requiring treatment.
23 (b) A referral to outpatient services for aftercare treatment.
24 (c) A referral to a partial hospitalization program.
25 (d) A referral to a residential treatment center, including
26 crisis residential services.
27 (e) A referral to an inpatient bed.
28 (f) An order for involuntary treatment of the individual has
29 been issued under section 281b, 281c, former 433, or 434.



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

5 (9) If the individual chooses a hospital not under contract
6 with a community mental health services program **or a specialty**
7 **integrated plan**, and the hospital agrees to the admission, the
8 preadmission screening unit shall refer the individual to the
9 hospital that is requested by the individual. Any financial
10 obligation for the services provided by the hospital shall be
11 satisfied from funding sources other than the community mental
12 health services program, **specialty integrated plan**, the department,
13 or other state or county funding.

14 Sec. 705. (1) If an applicant for community mental health
15 services has been denied mental health services, the applicant, his
16 or her guardian if one has been appointed, or the applicant's
17 parent or parents if the applicant is a minor may request a second
18 opinion of the executive director **or the nurse case manager of the**
19 **specialty integrated plan, whichever is applicable**. The executive
20 director **or nurse case manager** shall secure the second opinion from
21 a physician, licensed psychologist, registered professional nurse,
22 or master's level social worker, or master's level psychologist.

23 (2) If the individual providing the second opinion determines
24 that the applicant has a serious mental illness, serious emotional
25 disturbance, or a developmental disability, or is experiencing an
26 emergency situation or urgent situation, the community mental
27 health services program **or specialty integrated plan** shall direct
28 services to the applicant.

29 Sec. 713. A recipient shall be given a choice of physician or



1 other mental health professional in accordance with the policies of
2 the community mental health services program, **specialty integrated**
3 **plan**, licensed hospital, or service provider under contract with
4 the community mental health services program, or licensed hospital
5 providing services and within the limits of available staff in the
6 community mental health services program, **specialty integrated**
7 **plan**, licensed hospital, or service provider under contract with
8 the community mental health services program, or licensed hospital.

9 Sec. 748. (1) Information in the record of a recipient, and
10 other information acquired in the course of providing mental health
11 services to a recipient, shall be kept confidential and is not open
12 to public inspection. The information may be disclosed outside the
13 department, community mental health services program, **specialty**
14 **integrated plan**, licensed facility, or contract provider, whichever
15 is the holder of the record, only in the circumstances and under
16 the conditions set forth in this section or section 748a.

17 (2) If information made confidential by this section is
18 disclosed, the identity of the individual to whom it pertains shall
19 be protected and shall not be disclosed unless it is germane to the
20 authorized purpose for which disclosure was sought. When
21 practicable, no other information shall be disclosed unless it is
22 germane to the authorized purpose for which disclosure was sought.

23 (3) An individual receiving information made confidential by
24 this section shall disclose the information to others only to the
25 extent consistent with the authorized purpose for which the
26 information was obtained.

27 (4) For case record entries made subsequent to March 28, 1996,
28 information made confidential by this section shall be disclosed to
29 an adult recipient, upon the recipient's request, if the recipient



1 does not have a guardian and has not been adjudicated legally
2 incompetent. The holder of the record shall comply with the adult
3 recipient's request for disclosure as expeditiously as possible but
4 in no event later than the earlier of 30 days after receipt of the
5 request or, if the recipient is receiving treatment from the holder
6 of the record, before the recipient is released from treatment.

7 (5) Except as otherwise provided in this section or section
8 748a, when requested, information made confidential by this section
9 shall be disclosed only under 1 or more of the following
10 circumstances:

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

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

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

19 (d) If necessary in order to comply with another provision of
20 law.

21 (e) To the department if the information is necessary in order
22 for the department to discharge a responsibility placed upon it by
23 law.

24 (f) To the office of the auditor general if the information is
25 necessary for that office to discharge its constitutional
26 responsibility.

27 (g) To a surviving spouse of the recipient or, if there is no
28 surviving spouse, to the individual or individuals most closely
29 related to the deceased recipient within the third degree of



1 consanguinity as defined in civil law, for the purpose of applying
2 for and receiving benefits.

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

10 (a) A provider of mental health services to the recipient.

11 (b) The recipient or his or her guardian or the parent of a
12 minor recipient or another individual or agency unless in the
13 written judgment of the holder the disclosure would be detrimental
14 to the recipient or others.

15 (7) Information may be disclosed by the holder of the record
16 under 1 or more of the following circumstances:

17 (a) As necessary in order for the recipient to apply for or
18 receive benefits.

19 (b) As necessary for treatment, coordination of care, or
20 payment for the delivery of mental health services, in accordance
21 with the health insurance portability and accountability act of
22 1996, Public Law 104-191.

23 (c) As necessary for the purpose of outside research,
24 evaluation, accreditation, or statistical compilation. The
25 individual who is the subject of the information shall not be
26 identified in the disclosed information unless the identification
27 is essential in order to achieve the purpose for which the
28 information is sought or if preventing the identification would
29 clearly be impractical, but not if the subject of the information



1 is likely to be harmed by the identification.

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

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

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

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

16 (i) Because of mental or physical condition, the recipient is
17 unable to consent to the access.

18 (ii) The recipient does not have a guardian or other legal
19 representative, or the recipient's guardian is the state.

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

24 (c) A recipient who has a guardian or other legal
25 representative if all of the following apply:

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

29 (ii) Upon receipt of the name and address of the recipient's



1 legal representative, the protection and advocacy system has
2 contacted the representative and offered assistance in resolving
3 the situation.

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

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

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

18 Sec. 752. (1) The department, each community mental health
19 services program, **each specialty integrated plan**, each licensed
20 hospital, and each service provider under contract with the
21 department, a community mental health services program, or a
22 licensed hospital shall establish written policies and procedures
23 concerning recipient rights and the operation of an office of
24 recipient rights. The policies and procedures shall provide a
25 mechanism for prompt reporting, review, investigation, and
26 resolution of apparent or suspected violations of the rights
27 guaranteed by this chapter, shall be consistent with this chapter
28 and chapter 7a, and shall be designed to protect recipients from,
29 and prevent repetition of, violations of rights guaranteed by this



1 chapter and chapter 7a. The policies and procedures shall include,
2 at a minimum, all of the following:

3 (a) Complaint and appeal processes.

4 (b) Consent to treatment and services.

5 (c) Sterilization, contraception, and abortion.

6 (d) Fingerprinting, photographing, audiotaping, and use of 1-
7 way glass.

8 (e) Abuse and neglect, including detailed categories of type
9 and severity.

10 (f) Confidentiality and disclosure.

11 (g) Treatment by spiritual means.

12 (h) Qualifications and training for recipient rights staff.

13 (i) Change in type of treatment.

14 (j) Medication procedures.

15 (k) Use of psychotropic drugs.

16 (l) Use of restraint.

17 (m) Right to be treated with dignity and respect.

18 (n) Least restrictive setting.

19 (o) Services suited to condition.

20 (p) Policies and procedures that address all of the following
21 matters with respect to residents:

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

23 (ii) Comprehensive examinations.

24 (iii) Property and funds.

25 (iv) Freedom of movement.

26 (v) Resident labor.

27 (vi) Communication and visits.

28 (vii) Use of seclusion.

29 (2) All policies and procedures required by this section shall



1 be established within 12 months after the effective date of the
2 amendatory act that added section 753.

3 Sec. 754. (1) The department shall establish a state office of
4 recipient rights **within the office of the behavioral health**
5 **ombudsman** subordinate only to the ~~director-behavioral health~~
6 **ombudsman**.

7 (2) The department ~~shall~~**must** ensure all of the following:

8 (a) The process for funding the state office of recipient
9 rights includes a review of the funding by the state recipient
10 rights advisory committee.

11 (b) The state office of recipient rights will be protected
12 from pressures that could interfere with the impartial, even-
13 handed, and thorough performance of its duties.

14 (c) The state office of recipient rights will have unimpeded
15 access to all of the following:

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

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

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

23 (d) Staff of the state office of recipient rights receive
24 training each year in recipient rights protection.

25 (e) Each contract between the department and a provider
26 requires both of the following:

27 (i) That the provider and his or her employees receive annual
28 training in recipient rights protection.

29 (ii) That recipients will be protected from rights violations



1 while they are receiving services under the contract.

2 (f) Technical assistance and training in recipient rights
3 protection are available to all community mental health services
4 programs and other mental health service providers subject to this
5 act.

6 (3) The department ~~shall~~**must** endeavor to ensure all of the
7 following:

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

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

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

18 (4) After consulting with the state recipient rights advisory
19 committee, the department director shall select a director of the
20 state office of recipient rights who has the education, training,
21 and experience to fulfill the responsibilities of the office. The
22 department director shall not replace or dismiss the director of
23 the state office of recipient rights without first consulting the
24 state recipient rights advisory committee **and the behavioral health**
25 **ombudsman**. The director of the state office of recipient rights
26 shall have no direct service responsibility. The director of the
27 state office of recipient rights shall report directly ~~and solely~~
28 to the ~~department director~~. **behavioral health ombudsman**. The
29 ~~department director~~ **behavioral health ombudsman** shall not delegate



1 his or her responsibility under this subsection.

2 (5) The state office of recipient rights may do all of the
3 following:

4 (a) Investigate apparent or suspected violations of the rights
5 guaranteed by this chapter.

6 (b) Resolve disputes relating to violations.

7 (c) Act on behalf of recipients to obtain appropriate remedies
8 for any apparent violations.

9 (d) Apply for and receive grants, gifts, and bequests to
10 effectuate any purpose of this chapter.

11 (6) The state office of recipient rights ~~shall~~**must** do all of
12 the following:

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

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

23 (c) Maintain a record system for all reports of apparent or
24 suspected rights violations received, including a mechanism for
25 logging in all complaints and a mechanism for secure storage of all
26 investigative documents and evidence.

27 (d) Initiate actions that are appropriate and necessary to
28 safeguard and protect rights guaranteed by this chapter to
29 recipients of services provided directly by the department or by



1 its contract providers other than community mental health services
2 programs.

3 (e) Receive reports of apparent or suspected violations of
4 rights guaranteed by this chapter. The state office of recipient
5 rights ~~shall~~**must** refer reports of apparent or suspected rights
6 violations to the recipient rights office of the appropriate
7 provider to be addressed by the provider's internal rights
8 protection mechanisms. The state office ~~shall~~**must** intervene as
9 necessary to act on behalf of recipients in situations in which the
10 **department** director ~~of the department~~ considers the rights
11 protection system of the provider to be out of compliance with this
12 act and rules promulgated under this act.

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

17 (g) Advise recipients that there are advocacy organizations
18 available to assist recipients in preparing written rights
19 complaints and appeals and offer to refer recipients to those
20 organizations.

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

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

28 (j) Ensure that all individuals employed by the department
29 receive department-approved training related to recipient rights



1 protection before or within 30 days after being employed.

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

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

15 (m) Serve as consultant to the director in matters related to
16 recipient rights.

17 (n) At least quarterly, provide summary complaint data
18 consistent with the annual report required in subdivision (o),
19 together with a summary of remedial action taken on substantiated
20 complaints, to the department, ~~and~~ the state recipient rights
21 advisory committee, **and the behavioral health ombudsman.**

22 (o) Submit to the department director and to the committees
23 and subcommittees of the legislature with legislative oversight of
24 mental health matters, for availability to the public, an annual
25 report on the current status of recipient rights for the state. The
26 report ~~shall~~**must** be submitted not later than March 31 of each year
27 for the preceding fiscal year. The annual report ~~shall~~**must**
28 include, at a minimum, all of the following:

29 (i) Summary data by type or category regarding the rights of



1 recipients receiving services from the department including the
 2 number of complaints received by each state facility and other
 3 state-operated placement agency, the number of reports filed, and
 4 the number of reports investigated.

5 (ii) The number of substantiated rights violations by category
 6 and by state facility.

7 (iii) The remedial actions taken on substantiated rights
 8 violations by category and by state facility.

9 (iv) Training received by staff of the state office of
 10 recipient rights.

11 (v) Training provided by the state office of recipient rights
 12 to staff of contract providers.

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

15 (vii) Identification of patterns and trends in rights
 16 protection in the public mental health system in this state.

17 (viii) Review of budgetary issues including staffing and
 18 financial resources.

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

21 (x) Recommendations to the department.

22 (p) Provide education and training to its recipient rights
 23 advisory committee and its recipient rights appeals committee.

24 Sec. 755. (1) Each community mental health services program,
 25 **each specialty integrated plan**, and each licensed hospital shall
 26 establish an office of recipient rights subordinate only to the
 27 executive director or hospital director.

28 (2) Each community mental health services program, **each**
 29 **specialty integrated plan**, and each licensed hospital shall ensure



1 all of the following:

2 (a) Education and training in recipient rights policies and
3 procedures are provided to its recipient rights advisory committee
4 and its recipient rights appeals committee.

5 (b) The process for funding the office of recipient rights
6 includes a review of the funding by the recipient rights advisory
7 committee.

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

11 (d) The office of recipient rights will have unimpeded access
12 to all of the following:

13 (i) All programs and services operated by or under contract
14 with the community mental health services program, **specialty**
15 **integrated plan**, or licensed hospital.

16 (ii) All staff employed by or under contract with the community
17 mental health services program, **specialty integrated plan**, or
18 licensed hospital.

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

21 (e) Staff of the office of recipient rights receive training
22 each year in recipient rights protection.

23 (f) Each contract between the community mental health services
24 program, **specialty integrated plan**, or licensed hospital and a
25 provider requires both of the following:

26 (i) That the provider and his or her employees receive
27 recipient rights training.

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



1 (3) Each community mental health services program, **each**
 2 **specialty integrated plan**, and each licensed hospital shall
 3 endeavor to ensure all of the following:

4 (a) Complainants, staff of the office of recipient rights, and
 5 any staff acting on behalf of a recipient will be protected from
 6 harassment or retaliation resulting from recipient rights
 7 activities and that appropriate disciplinary action will be taken
 8 if there is evidence of harassment or retaliation.

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

12 (4) The executive director or hospital director shall select a
 13 director of the office of recipient rights who has the education,
 14 training, and experience to fulfill the responsibilities of the
 15 office. The executive director shall not select, replace, or
 16 dismiss the director of the office of recipient rights without
 17 first consulting the recipient rights advisory committee. The
 18 director of the office of recipient rights shall have no direct
 19 clinical service responsibility.

20 **(5) On the date of implementation of a specialty integrated**
 21 **plan, a multidisciplinary council must be established to select a**
 22 **director of the office of recipient rights. The director shall be a**
 23 **member of the behavioral health advisory council established under**
 24 **the department subordinate to the behavioral health ombudsman.**

25 (6) ~~(5)~~—Each office of recipient rights established under this
 26 section shall do all of the following:

27 (a) Provide or coordinate the protection of recipient rights
 28 for all directly operated or contracted services.

29 (b) Ensure that recipients, parents of minor recipients, and



1 guardians or other legal representatives have access to summaries
2 of the rights guaranteed by this chapter and chapter 7a and are
3 notified of those rights in an understandable manner, both at the
4 time services are initiated and periodically during the time
5 services are provided to the recipient.

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

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

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

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

21 (g) Review the recipient rights policies and the rights system
22 of each provider of mental health services under contract with the
23 community mental health services program or licensed hospital to
24 ensure that the rights protection system of each provider is in
25 compliance with this act and is of a uniformly high standard.

26 (h) Serve as consultant to the executive director or hospital
27 director and to staff of the community mental health services
28 program or licensed hospital in matters related to recipient
29 rights.



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

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

13 (7) ~~(6)~~—The executive director, **nurse case manager**, or
 14 hospital director shall submit to the board of the community mental
 15 health services program, **the behavioral health ombudsman and**
 16 **behavioral health accountability board**, or the governing board of
 17 the licensed hospital and the department an annual report prepared
 18 by the office of recipient rights on the current status of
 19 recipient rights in the community mental health services program
 20 system or licensed hospital system and a review of the operations
 21 of the office of recipient rights. The report shall be submitted
 22 not later than December 30 of each year for the preceding fiscal
 23 year or period specified in contract. The annual report shall
 24 include, at a minimum, all of the following:

25 (a) Summary data by category regarding the rights of
 26 recipients receiving services from the community mental health
 27 services program, **specialty integrated plan**, or licensed hospital
 28 including complaints received, the number of reports filed, and the
 29 number of reports investigated by provider.



1 (b) The number of substantiated rights violations by category
2 and provider.

3 (c) The remedial actions taken on substantiated rights
4 violations by category and provider.

5 (d) Training received by staff of the office of recipient
6 rights.

7 (e) Training provided by the office of recipient rights to
8 contract providers.

9 (f) Desired outcomes established for the office of recipient
10 rights and progress toward these outcomes.

11 (g) Recommendations to the community mental health services
12 program board or licensed hospital governing board.

13 **Sec. 760. (1) The office of the behavioral health ombudsman is**
14 **created as an autonomous entity within the department. The**
15 **principal executive officer of the office is the behavioral health**
16 **ombudsman, who shall be appointed by the governor with the advice**
17 **and consent of the senate. The behavioral health ombudsman shall**
18 **serve at the pleasure of the governor. The individual must be**
19 **qualified by training and experience to perform the duties of the**
20 **office.**

21 (2) The behavioral health ombudsman shall establish procedures
22 for approving the budget of the office, for expending funds of the
23 office, and for the employment of personnel for the office.

24 (3) The ombudsman shall establish procedures for receiving and
25 processing complaints from complainants and individuals not meeting
26 the definition of complainant, conducting investigations, holding
27 informal hearings, and reporting findings and recommendations
28 resulting from investigations.

29 **Sec. 761. (1) The behavioral health accountability council is**



1 created within the office of the behavioral health ombudsman.

2 (2) The behavioral health accountability council shall consist
3 of the following:

4 (a) The behavioral health ombudsman. The behavioral health
5 ombudsman shall serve as chair of the council.

6 (b) The director of the office of recipient rights who was
7 selected as provided in section 755(5).

8 (c) An individual from each of the entities that were awarded
9 the request for proposal for the special integrated plans.

10 (d) One individual representing the community mental health
11 services programs.

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

15 (f) Five individuals representing recipients of mental health
16 services throughout this state, including northern Michigan or the
17 Upper Peninsula.

18 (g) One individual representing a private provider or agency
19 of substance use disorder services.

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

23 (i) Individuals appointed by the senate majority leader, the
24 senate minority leader, the speaker of the house of
25 representatives, and the house minority leader.

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



1 (4) The behavioral health accountability council shall monitor
2 the progress of the specialty integrated plans. The behavioral
3 health accountability council is responsible for completing a
4 formal evaluation of each implementation phase of integration no
5 later than 18 months after the effective date for each phase. At
6 the time when the formal evaluation is completed for each phase,
7 the behavioral health accountability council is responsible for
8 providing an evaluation on the status of the implementation and
9 proposed recommendations for the next steps to the department. The
10 department must use the behavioral health accountability council's
11 evaluation and recommendation as part of the process to assess and
12 determine the success of each implementation phase. For each
13 implementation phase, the department must complete a formal
14 evaluation of that phase 20 months after the phase is implemented.

15 (5) The department must, at a minimum, use the predefined key
16 metrics to assess the current state of the integration phase and
17 evaluate the effectiveness of the integration efforts. At a
18 minimum, the key metrics must do all of the following:

19 (a) Focus on assessing individuals with behavioral health
20 diagnoses or physical and behavioral health comorbidities.

21 (b) Include measures related to patient-centered care,
22 including shared decision making, patient education, provider-
23 patient communication, and patient or family experiences of care.

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

27 (d) Include measures that utilize real-time performance data
28 of specialty integrated plans.

29 (e) Leverage standards from national resources, including, but



1 not limited to, the Centers for Medicare and Medicaid Services,
2 National Committee for Quality Assurance, Substance Abuse and
3 Mental Health Services Administration, and Agency for Healthcare
4 Research and Quality.

5 (6) Within 60 days following the 20-month evaluation required
6 under this subsection, the department must submit a report to the
7 legislature with the findings, and include with it, an assessment
8 of whether the implementation phase is considered successful,
9 unsuccessful, or undetermined. If the evaluation yields a finding
10 of unsuccessful or undetermined, the department must include a
11 recommendation to do either of the following:

12 (a) Continue the integration phase as intended.

13 (b) Extend the duration of the phase to allow for further
14 evaluation time of the phase.

15 (c) Propose to reform, modify, or terminate the current phase
16 before the 2-year phase comes to an end. If this recommendation is
17 used, the department must work in coordination with the behavioral
18 health accountability council to determine the best option to use
19 to reform, modify, or terminate the phase.

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

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

27 (b) Standards requiring implementation of voluntary and
28 involuntary admission consistent with section 409.

29 (c) A prohibition from holding itself out as a hospital or



1 from billing for hospital or inpatient services.

2 (d) Standards to prevent inappropriate referral between
3 entities of common ownership.

4 (e) Standards regarding maximum length of stay at a crisis
5 stabilization unit with discharge planning upon intake to a
6 clinically appropriate level of care consistent with section
7 409(7).

8 (f) Standards of billing for services rendered at a crisis
9 stabilization unit.

10 (g) Standards for reimbursement of services for uninsured
11 individuals, underinsured individuals, or both, and Medicaid
12 beneficiaries, including, but not limited to, formal agreements
13 with community mental health services programs, ~~or~~ regional
14 entities, **or specialty integrated plans** for services provided to
15 individuals utilizing public behavioral health funds, outreach and
16 enrollment for eligible health coverage, annual rate setting,
17 proper communication with payers, and methods for resolving billing
18 disputes between providers and payers.

19 (h) Physician oversight requirements.

20 (i) Nursing services.

21 (j) Staff to client ratios.

22 (k) Standards requiring a minimum amount of psychiatric
23 supervision of an individual receiving services in the crisis
24 stabilization unit that are consistent with the supervision
25 requirements applicable in a psychiatric hospital or psychiatric
26 unit setting.

27 (l) Standards requiring implementation and posting of
28 recipients' rights under chapter 7.

29 (m) Safety and emergency protocols.



1 (n) Pharmacy services.

2 (o) Standards addressing administration of medication.

3 (p) Standards for reporting to the department.

4 (q) Standards regarding a departmental complaint process and
5 procedure affording patients the right to file complaints for
6 failure to provide services in accordance with required
7 certification standards. The complaint process and procedure must
8 be established and maintained by the department, must remain
9 separate and distinct from providers delivering services under this
10 chapter, and must not be a function delegated to a community mental
11 health services program or an entity under contract with a
12 community mental health services program. The complaint process
13 must provide for a system of appeals and administrative finality.

14 Enacting section 1. Section 269 of the mental health code,
15 1974 PA 258, MCL 330.1269, is repealed.

16 Enacting section 2. This amendatory act does not take effect
17 unless Senate Bill No. 597 of the 101st Legislature is enacted into
18 law.

