

**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 a managed care
7 organization or a person operating a system of health care delivery
8 and financing as provided under section 3573 of the insurance code
9 of 1956, 1956 PA 218, MCL 500.3573, designated by the department as
10 a specialty integrated plan to provide or arrange for the
11 integration and delivery of comprehensive physical health care
12 services and the full array of behavioral health specialty services
13 and supports for eligible Medicaid beneficiaries with a serious
14 mental illness, developmental disability, serious emotional
15 disturbance, or substance use disorder and eligible Medicaid
16 beneficiaries who are children in foster care. For the purpose of
17 complying with the integration phase of implementation, a specialty
18 integrated plan includes that term as defined in section 109f of
19 the social welfare act, 1939 PA 280, MCL 400.109f.

20 (8) ~~(7)~~—"State administered funds" means revenues appropriated
21 by the legislature exclusively for the purposes provided for in
22 regard to substance use disorder services and prevention.

23 (9) ~~(8)~~—"State facility" means a center or a hospital operated
24 by the department.

25 (10) ~~(9)~~—"State recipient rights advisory committee" means a
26 committee appointed by the director under section 756 to advise the
27 director and the director of the department's office of recipient
28 rights.

29 (11) ~~(10)~~—"Substance abuse" means the taking of alcohol or



1 other drugs at dosages that place an individual's social, economic,
 2 psychological, and physical welfare in potential hazard or to the
 3 extent that an individual loses the power of self-control as a
 4 result of the use of alcohol or drugs, or while habitually under
 5 the influence of alcohol or drugs, endangers public health, morals,
 6 safety, or welfare, or a combination thereof.

7 **(12)** ~~(11)~~—"Substance use disorder" means chronic disorder in
 8 which repeated use of alcohol, drugs, or both, results in
 9 significant and adverse consequences. Substance use disorder
 10 includes substance abuse.

11 **(13)** ~~(12)~~—"Substance use disorder prevention services" means
 12 services that are intended to reduce the consequences of substance
 13 use disorders in communities by preventing or delaying the onset of
 14 substance abuse and that are intended to reduce the progression of
 15 substance use disorders in individuals. Substance use disorder
 16 prevention is an ordered set of steps that promotes individual,
 17 family, and community health, prevents mental and behavioral
 18 disorders, supports resilience and recovery, and reinforces
 19 treatment principles to prevent relapse.

20 **(14)** ~~(13)~~—"Substance use disorder treatment and rehabilitation
 21 services" means providing identifiable recovery-oriented services
 22 including the following:

23 (a) Early intervention and crisis intervention counseling
 24 services for individuals who are current or former individuals with
 25 substance use disorder.

26 (b) Referral services for individuals with substance use
 27 disorder, their families, and the general public.

28 (c) Planned treatment services, including chemotherapy,
 29 counseling, or rehabilitation for individuals physiologically or



1 psychologically dependent upon or abusing alcohol or drugs.

2 (15) ~~(14)~~—"Supplemental security income" means the program
3 authorized under title XVI of the social security act, 42 USC 1381
4 to 1383f.

5 (16) ~~(15)~~—"Telemedicine" means the use of an electronic media
6 to link patients with health care professionals in different
7 locations. To be considered telemedicine under this section, the
8 health care professional must be able to examine the patient via a
9 health insurance portability and accountability act of 1996, Public
10 Law 104-191 compliant, secure interactive audio or video, or both,
11 telecommunications system, or through the use of store and forward
12 online messaging.

13 (17) ~~(16)~~—"Transfer facility" means a facility selected by the
14 department-designated community mental health entity, which
15 facility is physically located in a jail or lockup and is staffed
16 by at least 1 designated representative when in use according to
17 chapter 2A.

18 (18) ~~(17)~~—"Transition services" means a coordinated set of
19 activities for a special education student designed within an
20 outcome-oriented process that promotes movement from school to
21 postschool activities, including postsecondary education,
22 vocational training, integrated employment including supported
23 employment, continuing and adult education, adult services,
24 independent living, or community participation.

25 (19) ~~(18)~~—"Treatment" means care, diagnostic, and therapeutic
26 services, including administration of drugs, and any other service
27 for treatment of an individual's serious mental illness, serious
28 emotional disturbance, or substance use disorder.

29 (20) ~~(19)~~—"Urgent situation" means a situation in which an



1 individual is determined to be at risk of experiencing an emergency
2 situation in the near future if he or she does not receive care,
3 treatment, or support services.

4 **(21)** ~~(20)~~—"Wraparound services" means an individually designed
5 set of services provided to minors with serious emotional
6 disturbance or serious mental illness and their families that
7 includes treatment services and personal support services or any
8 other supports necessary to foster education preparedness,
9 employability, and preservation of the child in the family home.
10 Wraparound services are to be developed through an interagency
11 collaborative approach and a minor's parent or guardian and a minor
12 age 14 or older are to participate in planning the services.

13 Sec. 116. (1) Consistent with section 51 of article IV of the
14 state constitution of 1963, which declares that the health of the
15 people of the state is a matter of primary public concern, and as
16 required by section 8 of article VIII of the state constitution of
17 1963, which declares that services for the care, treatment,
18 education, or rehabilitation of those who are seriously mentally
19 disabled shall always be fostered and supported, the department
20 shall continually and diligently endeavor to ensure that adequate
21 and appropriate mental health services are available to all
22 citizens throughout the state. To this end, the department ~~shall~~
23 ~~have~~**has** the general powers and duties described in this section.

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

25 (a) Direct services to individuals who have a serious mental
26 illness, developmental disability, or serious emotional
27 disturbance. The department shall give priority to the following
28 services:

29 (i) Services for individuals with the most severe forms of



1 serious mental illness, serious emotional disturbance, or
2 developmental disability.

3 (ii) Services for individuals with serious mental illness,
4 serious emotional disturbance, or developmental disability who are
5 in urgent or emergency situations.

6 (b) Administer the provisions of chapter 2 ~~so as to~~ promote
7 and maintain an adequate and appropriate system of community mental
8 health services programs throughout the state. In the
9 administration of chapter 2, ~~it shall be the~~ **department's** objective
10 ~~of the department is~~ to shift primary responsibility for the direct
11 delivery of public **non-Medicaid-funded** mental health services from
12 the state to a community mental health services program whenever
13 the community mental health services program has demonstrated a
14 willingness and capacity to provide an adequate and appropriate
15 system of mental health services for the citizens of that service
16 area. **The department must contract with licensed specialty**
17 **integrated plans for financial and service delivery management of**
18 **Medicaid-funded behavioral health services. The licensed specialty**
19 **integrated plans must contract with the community mental health**
20 **services program, consistent with this subdivision, to ensure an**
21 **adequate and appropriate system of mental health services is**
22 **provided.**

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

25 (d) Submit to the members of the house and senate standing
26 committees and appropriation subcommittees with legislative
27 oversight of mental health matters an annual report summarizing its
28 assessment of the mental health needs of ~~the~~ **this** state and
29 incorporating information received from community mental health



1 services programs under section 226 **and specialty integrated plans**
2 **under section 109f of the social welfare act, 1939 PA 280, MCL**
3 **400.109f**. The report ~~shall~~**must** include an estimate of the cost of
4 meeting all identified needs. Additional information shall be made
5 available to the legislature upon request.

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

11 (f) Review and evaluate the relevance, quality, effectiveness,
12 and efficiency of mental health services being provided by the
13 department and ~~assure~~**ensure** the review and evaluation of mental
14 health services provided by community mental health services
15 programs **and specialty integrated plans**. The department shall
16 establish and implement a structured system to provide data
17 necessary for the reviews and evaluations.

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

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

23 (i) Support research activities.

24 (j) Support evaluation and quality improvement activities.

25 (k) Support training, consultation, and technical assistance
26 regarding mental health programs and services and appropriate
27 prevention and mental health promotion activities, including those
28 that are culturally sensitive, to employees of the department,
29 community mental health services programs, and other nonprofit



1 agencies providing mental health services under contract with
2 community mental health services programs.

3 (l) Support multicultural services.

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

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

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

20 (c) Operate mental health programs or facilities directly or
21 through contractual arrangement.

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

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

29 (ii) Establishment of revolving loans to assist recipients of



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

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

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

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

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

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

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

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

29 (3) The department may, by contract, delegate creating,



1 operating, and maintaining the registry to a private entity.

2 (4) Psychiatric facilities and other providers determined by
3 the department must provide the department with the number of
4 inpatient psychiatric beds available in those facilities at the
5 time the information is provided. The information must be provided
6 by the psychiatric facilities and other providers on a basis as
7 close to real time as possible. Psychiatric facilities and other
8 providers must provide the department with this information as
9 specified under subsection (7).

10 (5) The registry must be made accessible to prepaid inpatient
11 health plans, licensed health plans **or specialty integrated plans,**
12 **whichever is applicable,** community mental health services programs,
13 acute care hospitals, psychiatric facilities, and employees and
14 caregivers with other appropriate providers.

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

18 (a) The department.

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

20 (c) Psychiatric facilities.

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

22 (5).

23 (e) Consumers, families, and advocates.

24 (f) Law enforcement.

25 (7) The department shall establish requirements for
26 psychiatric facilities and other providers as determined by the
27 department to report information to the department in consultation
28 with the committee established under subsection (6).

29 (8) The department must provide quarterly reports on the



1 progress of implementing the registry beginning on the first
 2 quarter after ~~the effective date of the amendatory act that added~~
 3 ~~this section.~~ **March 28, 2019.** The department must provide these
 4 quarterly reports to the chairs of the house and senate committees
 5 on health policy and the chairs of the house and senate
 6 appropriations subcommittees for the department. ~~of health and~~
 7 ~~human services.~~

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

11 (10) The department must provide all of the information listed
 12 on the registry under this section to the contractor or entity that
 13 operates or maintains the Michigan crisis and access line created
 14 under section 165.

15 Sec. 153. (1) Subject to section 114a, the department ~~shall~~
 16 **must** promulgate rules for the placement of adults who have serious
 17 mental illness or developmental disability into community based
 18 dependent living settings by department agencies, community mental
 19 health services programs, and by agencies under contract to the
 20 department, ~~or to a~~ community mental health services program, **or a**
 21 **specialty integrated program.** The rules ~~shall~~ **must** include, but not
 22 be limited to, the criteria to be used to determine a suitable
 23 placement and the specific agencies responsible for making
 24 decisions regarding a placement.

25 (2) Subject to section 114a, the department ~~shall~~ **must**
 26 promulgate rules for the certification of specialized programs
 27 offered in an adult foster care facility to individuals with
 28 serious mental illness or developmental disability. The rules ~~shall~~
 29 **must** provide for an administrative appeal to the department of a



1 denial or limitation of the terms of certification under chapter 4
 2 of the administrative procedures act of 1969, ~~Act No. 306 of the~~
 3 ~~Public Acts of 1969, being sections 24.271 to 24.287 of the~~
 4 ~~Michigan Compiled Laws.1969 PA 306, MCL 24.271 to 24.288.~~

5 (3) Upon receipt of a request from an adult foster care
 6 facility for certification of a specialized program, the department
 7 ~~shall~~**must** inspect the facility to determine whether the proposed
 8 specialized program conforms with the requirements of this section
 9 and rules promulgated under this section. The department ~~shall~~**must**
 10 provide ~~the department of social services with an inspection report~~
 11 and a certification, denial of certification, revocation, or
 12 certification with limited terms for the proposed specialized
 13 program. The department ~~shall~~**must** reinspect a certified
 14 specialized program not less than once biennially and ~~notify the~~
 15 ~~department of social services~~**make notification** in the same manner
 16 as for the initial certification. In carrying out this subsection,
 17 the department may contract with a community mental health services
 18 program, **specialty integrated program**, or any other agency.

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

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

27 (2) The department shall contract for the design, operation,
 28 and maintenance of the access line. The access line must be
 29 available 24 hours a day, 7 days a week. A contractor operating or



1 maintaining the access line ~~shall~~**must** do all of the following:

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

6 (b) Refer and connect individuals requiring mental health or
7 substance use disorder services to mental health professionals,
8 including, but not limited to, community mental health services
9 programs, ~~and~~ prepaid inpatient health plans, **and specialty**
10 **integrated plans**, using telecommunications and digital
11 communications methods commonly in use, such as a telephone call,
12 text message, ~~electronic mail,~~**email**, and internet chat.

13 (c) Implement practices to comply with all applicable laws
14 respecting individual and patient privacy.

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

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

21 (f) Develop and utilize a customer relationship management
22 infrastructure for the access line to track, monitor, assign,
23 follow up, and report on access line operations. This customer
24 relationship management infrastructure must provide appropriate
25 community and provider access.

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

29 (3) The department of licensing and regulatory affairs shall



1 provide behavioral health provider licensure data to the
2 department. The department may use this data and work with the
3 contractor described in subsection (2) to leverage existing
4 databases and other sources of information identifying mental
5 health professionals providing mental health services and providers
6 of substance use disorder treatment and rehabilitation services and
7 to utilize the most current provider information available.

8 (4) The department has operational oversight for, including
9 access to and utilization of, the customer relationship management
10 infrastructure. Community mental health services programs and
11 prepaid inpatient health plans may access the customer relationship
12 management infrastructure.

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

15 (6) An individual operating or maintaining the access line
16 under contract with the department has the same immunity provided
17 for a governmental employee under section 7 of 1964 PA 170, MCL
18 691.1407.

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

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

27 Sec. 202. (1) The state ~~shall~~**must** financially support, in
28 accordance with chapter 3, community mental health services
29 programs **and specialty integrated plans** that have been established



1 and that are administered according to the provisions of this
2 chapter.

3 (2) A community mental health services program ~~shall or~~
4 **specialty integrated plan, whichever is applicable, must** determine
5 an individual's eligibility for a private health insurer, Medicaid,
6 or Medicare and ~~shall must~~ bill the private health insurer,
7 Medicaid, or Medicare first before expending money from the state
8 general fund for providing treatment and services under this act to
9 that individual.

10 **Sec. 203. Throughout this chapter, a specialty integrated plan**
11 **is not responsible for the duties set forth in this chapter until**
12 **after completion of a successful transition under the social**
13 **welfare act, 1939 PA 280, MCL 400.1 to 400.119b. After the**
14 **specialty integrated plan has completed a successful transition,**
15 **the specialty integrated plan must take over the administrative and**
16 **management functions set forth in this chapter and the community**
17 **mental health services program is responsible only for providing**
18 **services, unless other functions are determined by the department,**
19 **or accounted for in delegated contract arrangements with the**
20 **specialty integrated plan, as considered acceptable. The behavioral**
21 **health accountability council must determine the successful**
22 **transition at each phase of integration establishing when the**
23 **specialty integrated plan is responsible for the administrative and**
24 **management functions set forth in this chapter.**

25 Sec. 204. (1) Except as provided in subsection (4) **or (5)**, a
26 community mental health services program established under this
27 chapter ~~shall must~~ be a county community mental health agency, a
28 community mental health organization, or a community mental health
29 authority. A county community mental health agency is an official



1 county agency. A community mental health organization or a
 2 community mental health authority is a public governmental entity
 3 separate from the county or counties that establish it.

4 (2) Procedures and policies for a community mental health
 5 organization or a community mental health authority shall be set by
 6 the board of the community mental health services program.
 7 Procedures and policies for a county community mental health agency
 8 shall be set by the board of commissioners or boards of
 9 commissioners as prescribed in this subsection. If a county
 10 community mental health services agency represents a single county,
 11 the county's board of commissioners ~~shall~~**must** determine the
 12 procedures and policies that ~~shall be~~**are** applicable to the agency.
 13 If a county community mental health services agency represents 2 or
 14 more counties, the boards of commissioners of the represented
 15 counties ~~shall~~**must** by agreement determine the procedures and
 16 policies that ~~shall be~~**are** applicable to the agency. In a charter
 17 county with an elected county executive, the county executive shall
 18 determine the procedures and policies that shall be applicable to
 19 the agency.

20 (3) The procedures and policies for multicounty community
 21 mental health services programs shall not take effect until at
 22 least 3 public hearings on the proposed procedures and policies
 23 have been held.

24 (4) Beginning October 1, 2013, in order to qualify for state
 25 support under section 202, if a single county that has situated
 26 totally within that county a city having a population of at least
 27 500,000 establishes or administers a community mental health
 28 services program, that community mental health services program
 29 must be established and administered as a community mental health



1 authority as specified under section 205. Any operational changes
2 made by the community mental health agency that will require a
3 financial commitment from the community mental health authority
4 established as a result of the provisions of this subsection shall
5 be made in consultation with the department director.

6 **(5) A specialty integrated plan is a separate entity that**
7 **supports the community mental health services programs operating**
8 **under this chapter and is either of the following:**

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

10 **(b) A system of health care delivery and financing as provided**
11 **under section 3573 of the insurance code of 1956, 1956 PA 218, MCL**
12 **500.3573.**

13 **(6) Procedures and policies for a specialty integrated plan**
14 **must be set by December 1, 2022.**

15 Sec. 204b. (1) A combination of community mental health
16 organizations or authorities may establish a regional entity by
17 adopting bylaws that satisfy the requirements of this section. A
18 community mental health agency may combine with a community mental
19 health organization or authority to establish a regional entity if
20 the board of commissioners of the county or counties represented by
21 the community mental health agency adopts bylaws that satisfy the
22 requirements of this section. All of the following shall be stated
23 in the bylaws establishing the regional entity:

24 (a) The purpose and power to be exercised by the regional
25 entity to carry out the provisions of this act, including the
26 manner by which the purpose shall be accomplished or the power
27 shall be exercised.

28 (b) The manner in which a community mental health services
29 program will participate in governing the regional entity,



1 including, but not limited to, all of the following:

2 (i) Whether a community mental health services program that
3 subsequently participates in the regional entity may participate in
4 governing activities.

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

8 (iii) The process for designating the regional entity's officers
9 and the method of selecting the officers. This process shall
10 include appointing a fiscal officer who shall receive, deposit,
11 invest, and disburse the regional entity's funds in the manner
12 authorized by the bylaws or the regional entity's governing body. A
13 fiscal officer may hold another office or other employment with the
14 regional entity or a participating community mental health services
15 program.

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

20 (i) The manner for equitably providing for, obtaining, and
21 allocating revenues derived from a federal or state grant or loan,
22 a gift, bequest, grant, or loan from a private source, or an
23 insurance payment or service fee.

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

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



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

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

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

12 (f) The manner in which the regional entity shall enter into
13 contracts including a contract involving the acquisition,
14 ownership, custody, operation, maintenance, lease, or sale of real
15 or personal property and the disposition, division, or distribution
16 of property acquired through the execution of the contract.

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

19 (h) The effect of a participating community mental health
20 service program's failure to pay its designated share of the
21 regional entity's costs and expenses, and the rights of the other
22 participating community mental health services programs as a result
23 of that failure.

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

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

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

29 (a) The power, privilege, or authority that the participating



1 community mental health services programs share in common and may
 2 exercise separately under this act, whether or not that power,
 3 privilege, or authority is specified in the bylaws establishing the
 4 regional entity.

5 (b) The power to contract with the state to serve as the
 6 ~~medicaid~~**Medicaid** specialty service prepaid health plan for the
 7 designated service areas of the participating community mental
 8 health services programs.

9 (c) The power to accept funds, grants, gifts, or services from
 10 the federal government or a federal agency, the state or a state
 11 department, agency, instrumentality, or political subdivision, or
 12 any other governmental unit whether or not that governmental unit
 13 participates in the regional entity, and from a private or civic
 14 source.

15 (d) The power to enter into a contract with a participating
 16 community mental health service program for any service to be
 17 performed for, by, or from the participating community mental
 18 health services program.

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

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

25 (4) All the privileges and immunity from liability and
 26 exemptions from laws, ordinances, and rules provided under section
 27 205(3)(b) to county community mental health service programs and
 28 their board members, officers, and administrators, and county
 29 elected officials and employees of county government are retained



1 by a regional entity created under this section and the regional
2 entity's board members, officers, agents, and employees.

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

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

10 (7) If a regional entity assumes the duties of a participating
11 community mental health services program or contracts with a
12 private individual or entity to assume the duties of a
13 participating community mental health services program, the
14 regional entity shall comply with all of the following:

15 (a) The manner of employing, compensating, transferring, or
16 discharging necessary personnel is subject to the provisions of the
17 applicable civil service and merit systems and the following
18 restrictions:

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

20 (ii) A regional entity and its employees are subject to 1947 PA
21 336, MCL 423.201 to 423.217.

22 (b) At the time a regional entity is established under this
23 section, the employees of the participating community mental health
24 services program who are transferred to the regional entity and
25 appointed as employees shall retain all the rights and benefits for
26 1 year. If at the time a regional entity is established under this
27 section a participating community mental health services program
28 ceases to operate, the employees of the participating community
29 mental health services program shall be transferred to the regional



1 entity and appointed as employees who shall retain all the rights
 2 and benefits for 1 year. An employee of the regional entity shall
 3 not, by reason of the transfer, be placed in a worse position for a
 4 period of 1 year with respect to worker's compensation, pension,
 5 seniority, wages, sick leave, vacation, health and welfare
 6 insurance, or another benefit that the employee had as an employee
 7 of the participating community mental health services program. A
 8 transferred employee's accrued benefits or credits shall not be
 9 diminished by reason of the transfer.

10 (c) If a participating community mental health services
 11 program was the designated employer or participated in the
 12 development of a collective bargaining agreement, the regional
 13 entity assumes and is bound by the existing collective bargaining
 14 agreement. Establishing a regional entity does not adversely affect
 15 existing rights or obligations contained in the existing collective
 16 bargaining agreement. For the purposes of this subsection,
 17 "participation in the development of a collective bargaining
 18 agreement" means that a representative of the participating
 19 community mental health services program actively participated in
 20 bargaining sessions with the employer representative and union or
 21 was consulted during the bargaining process.

22 Sec. 206. (1) The purpose of a community mental health
 23 services program ~~shall be~~ **is** to provide a comprehensive array of
 24 mental health services appropriate to conditions of individuals who
 25 are located within its geographic service area, regardless of an
 26 individual's ability to pay. **A specialty integrated plan is**
 27 **required to contract with a community mental health services**
 28 **provider as a provider of the comprehensive array of mental health**
 29 **services within its geographic service area.** The array of mental



1 health services ~~shall~~**must** include, at a minimum, all of the
2 following:

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

8 (b) Identification, assessment, and diagnosis to determine the
9 specific needs of the recipient and to develop an individual plan
10 of services.

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

13 (d) Specialized mental health recipient training, treatment,
14 and support, including therapeutic clinical interactions,
15 socialization and adaptive skill and coping skill training, health
16 and rehabilitative services, and pre-vocational and vocational
17 services.

18 (e) Recipient rights services.

19 (f) Mental health advocacy.

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

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

24 (2) Services ~~shall~~**must** promote the best interests of the
25 individual and ~~shall~~**must** be designed to increase independence,
26 improve quality of life, and support community integration and
27 inclusion. Services for children and families ~~shall~~**must** promote
28 the best interests of the individual receiving services and shall
29 be designed to strengthen and preserve the family unit if



1 appropriate. The community mental health services program ~~shall~~
 2 **must** deliver services in a manner that demonstrates ~~they~~ **those**
 3 **services** are based ~~upon~~ **on** recipient choice and involvement, and
 4 ~~shall~~ **must** include wraparound services when appropriate. **Upon**
 5 **implementation, the specialty integrated plan shall ensure that**
 6 **services are delivered in a manner that demonstrates those services**
 7 **are based on recipient choice and involvement, and must include**
 8 **wraparound services when appropriate.**

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

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

25 (a) Entering the criminal justice system.

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

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



1 (d) Being committed to the jurisdiction of the department of
2 corrections.

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

5 (a) The county sheriff's department.

6 (b) The county prosecutor's office.

7 (c) The community mental health services program that provides
8 services in that county.

9 (d) The county board of commissioners.

10 (e) A district court judge who serves in that county or, if
11 there is more than 1 district in the county, a district court judge
12 who serves in the county who is designated either by the chief
13 judge of a district court within that county or a chief judge with
14 authority over a district court in that county.

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

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

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

21 (a) Guidelines for program eligibility.

22 (b) Interparty communication and coordination.

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

24 (d) Involvement of service consumers, family members, and
25 other stakeholders.

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

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

29 (g) Resource sharing between the parties to the interagency



1 agreement.

2 (h) Screening and assessment procedures.

3 (i) Guidelines for case management.

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

6 (k) Criteria for completing the program described in
7 subsection (1).

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

10 (m) Procedures for first response to potential cases,
11 including response to crises.

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

15 (4) A county that has a written interagency agreement
16 referenced in subsection (1) in place on ~~the effective date of the~~
17 ~~amendatory act that added this section~~ **March 6, 2014** may maintain
18 that interagency agreement, but must ensure that its interagency
19 agreement contains all of the provisions described in subsection
20 (3).

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

25 (6) The department may promulgate rules to implement this
26 section according to the administrative procedures act of 1969,
27 1969 PA 306, MCL 24.201 to 24.328.

28 (7) A county is not required to provide funds for the program
29 described in subsection (1). In implementing ~~the provisions of this~~



1 section, a county is required to expend funds for the program
 2 described in subsection (1) only to the extent appropriated
 3 annually by the legislature for the program.

4 Sec. 208. (1) Services provided by a community mental health
 5 services program ~~shall~~**must** be directed to individuals who have a
 6 serious mental illness, serious emotional disturbance, or
 7 developmental disability.

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

20 (3) Priority ~~shall~~**must** be given to ~~the provision of~~**providing**
 21 services to individuals with the most severe forms of serious
 22 mental illness, serious emotional disturbance, and developmental
 23 disability. Priority ~~shall~~**must** also be given to ~~the provision of~~
 24 **providing** services to individuals with a serious mental illness,
 25 serious emotional disturbance, or developmental disability in
 26 urgent or emergency situations.

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



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

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

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

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

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

24 (3) If a recipient of inpatient services provided through a
 25 community mental health services program **or specialty integrated**
 26 **plan** is to be released, the licensed hospital under contract with a
 27 community mental health services program **or specialty integrated**
 28 **plan** or a state facility shall provide the responsible community
 29 mental health services program **or specialty integrated plan** with



1 advance notice of an individual's anticipated release from patient
2 care. The community mental health services program **or specialty**
3 **integrated plan** shall offer prerelease planning services and
4 develop a release plan in cooperation with the individual unless
5 the individual refuses this service.

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

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

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

20 (b) Other information necessary to determine financial and
21 social service needs, program needs, residential needs, and
22 medication needs.

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



1 individual; the state facility or licensed hospital; the
 2 residential care provider, if such a provider has been selected;
 3 and, with the consent of the individual, the appropriate local and
 4 intermediate school systems and the department of social services,
 5 if appropriate. In each case, the community mental health services
 6 program **or specialty integrated plan** shall produce in writing a
 7 plan for community placement and aftercare services that is
 8 sufficient to meet the needs of the individual and shall document
 9 any lack of available community services necessary to implement the
 10 plan.

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

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

20 (2) ~~A~~ **Upon implementation, a specialty integrated plan must**
 21 **ensure services are available for individuals with substance use**
 22 **disorder. A specialty integrated plan may contract with a**
 23 department-designated community mental health entity ~~shall~~
 24 ~~coordinate the provision of~~ **to provide** substance use disorder
 25 services in its ~~region and shall ensure services are available for~~
 26 ~~individuals with substance use disorder.~~ **service area.**

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

29 (a) Annually conduct a needs assessment to determine the



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

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

23 (c) In the case of a county community mental health agency,
 24 obtain approval of its needs assessment, annual plan and budget,
 25 and request for new funds from the board of commissioners of each
 26 participating county before ~~submission of~~**submitting** the plan to
 27 the department. In the case of a community mental health
 28 organization, provide a copy of its needs assessment, annual plan,
 29 request for new funds, and any other document specified in



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

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

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

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

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

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

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

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



1 inspection upon request.

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

5 (l) Establish general policy guidelines within which the
6 executive director shall execute the community mental health
7 services program.

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

13 **(n) Report monthly to the behavioral health ombudsman and the**
14 **behavioral health accountability council on the progress of the**
15 **specialty integrated plans.**

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

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

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

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

28 (b) Carry forward any surplus of revenue over expenditures
29 under a capitated managed care system. Capitated payments under a



1 managed care system are not subject to cost settlement provisions
2 of section 236.

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

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

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

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

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

29 (4) A community mental health services program that has



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

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

22 Sec. 232. The department shall review each community mental
 23 health services program's annual plan, needs assessment, request
 24 for funds, annual contract, and operating budget and approve or
 25 disapprove state funding in whole or in part. Eligibility for state
 26 financial support shall be contingent upon an approved contract and
 27 operating budget and certification in accordance with section 232a.
 28 ~~Prior to~~**Before** the beginning of each state fiscal year, the
 29 department shall allocate ~~state appropriated~~ funds to the community



1 mental health service programs in accordance with the approved
2 contracts and budgets.

3 Sec. 270. The department ~~shall~~**must** do all of the following:

4 (a) Administer and coordinate state administered funds for
5 substance use disorder treatment and rehabilitation services and
6 substance use disorder prevention services.

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

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

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

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

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



1 Sec. 271. The department ~~shall~~**must** do both of the following:

2 (a) Cooperate with agencies of the federal government and
3 receive and use federal funds for purposes authorized by the
4 legislature.

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

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

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

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

26 (c) Provide technical assistance for local substance use
27 disorder service programs.

28 (d) Collect and transfer data and financial information from
29 local programs to the department of licensing and regulatory



1 affairs.

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

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

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

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

27 (2) If a ~~department-designated community mental health~~ **an**
28 entity receives federal substance abuse prevention and treatment
29 block grant funds, the priority position of the parent on the



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

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

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

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



1 ~~amendatory act that added this section.~~ **December 28, 2012. Beginning**
 2 **not later than January 1, 2026 or upon implementation of a**
 3 **specialty integrated plan as provided under section 109f(4) (b) of**
 4 **the social welfare act, 1939 PA 280, MCL 400.109f, whichever is**
 5 **sooner, the director may designate a specialty integrated plan to**
 6 **assume the responsibilities of overseeing the provision of**
 7 **substance use disorder services for a county or region.**

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

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

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



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

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

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

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

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

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



1 Sec. 409. (1) Each community mental health services program
2 shall establish 1 or more preadmission screening units with 24-hour
3 availability to provide assessment and screening services for
4 individuals being considered for admission into hospitals, assisted
5 outpatient treatment programs, or crisis services on a voluntary
6 basis. The community mental health services program shall employ
7 mental health professionals or licensed bachelor's social workers
8 licensed under part 185 of the public health code, 1978 PA 368, MCL
9 333.18501 to 333.18518, to provide the preadmission screening
10 services or contract with another agency that meets the
11 requirements of this section. Preadmission screening unit staff
12 shall be supervised by a registered professional nurse or other
13 mental health professional possessing at least a master's degree. **A**
14 **specialty integrated plan must establish or contract with each**
15 **community mental health services program in its service area for**
16 **preadmission assessment and screening services for individuals**
17 **enrolled with the specialty integrated plan as provided under**
18 **section 109f of the social welfare act, 1939 PA 280, MCL 400.109f.**

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

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



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

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

27 (6) A preadmission screening unit shall assess and examine, or
 28 refer to a hospital for examination, an individual who is brought
 29 to the preadmission screening unit by a peace officer or ordered by



1 a court to be examined. If the individual meets the requirements
2 for hospitalization, the preadmission screening unit shall
3 designate the hospital to which the individual shall be admitted.
4 The preadmission screening unit shall consult with the individual
5 and, if the individual agrees, the preadmission screening unit must
6 consult with the individual's family member of choice, if
7 available, as to the preferred hospital for admission of the
8 individual.

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

- 20 (a) The individual is no longer a person requiring treatment.
21 (b) A referral to outpatient services for aftercare treatment.
22 (c) A referral to a partial hospitalization program.
23 (d) A referral to a residential treatment center, including
24 crisis residential services.
25 (e) A referral to an inpatient bed.
26 (f) An order for involuntary treatment of the individual has
27 been issued under section 281b, 281c, former 433, or 434.
28 (8) A preadmission screening unit operating a crisis
29 stabilization unit under chapter 9A may also offer crisis services



1 to an individual who is not a person requiring treatment, but who
2 is seeking crisis services on a voluntary basis.

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

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

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

27 Sec. 713. A recipient shall be given a choice of physician or
28 other mental health professional in accordance with the policies of
29 the community mental health services program, **specialty integrated**



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

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

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

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

25 (4) For case record entries made subsequent to March 28, 1996,
 26 information made confidential by this section shall be disclosed to
 27 an adult recipient, upon the recipient's request, if the recipient
 28 does not have a guardian and has not been adjudicated legally
 29 incompetent. The holder of the record shall comply with the adult



1 recipient's request for disclosure as expeditiously as possible but
2 in no event later than the earlier of 30 days after receipt of the
3 request or, if the recipient is receiving treatment from the holder
4 of the record, before the recipient is released from treatment.

5 (5) Except as otherwise provided in this section or section
6 748a, when requested, information made confidential by this section
7 shall be disclosed only under 1 or more of the following
8 circumstances:

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

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

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

17 (d) If necessary in order to comply with another provision of
18 law.

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

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

25 (g) To a surviving spouse of the recipient or, if there is no
26 surviving spouse, to the individual or individuals most closely
27 related to the deceased recipient within the third degree of
28 consanguinity as defined in civil law, for the purpose of applying
29 for and receiving benefits.



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

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

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

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

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

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

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

29 (d) To a provider of mental or other health services or a



1 public agency, if there is a compelling need for disclosure based
2 upon a substantial probability of harm to the recipient or other
3 individuals.

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

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

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

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

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

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

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

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

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



1 the situation.

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

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

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

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



- 1 (a) Complaint and appeal processes.
- 2 (b) Consent to treatment and services.
- 3 (c) Sterilization, contraception, and abortion.
- 4 (d) Fingerprinting, photographing, audiotaping, and use of 1-
- 5 way glass.
- 6 (e) Abuse and neglect, including detailed categories of type
- 7 and severity.
- 8 (f) Confidentiality and disclosure.
- 9 (g) Treatment by spiritual means.
- 10 (h) Qualifications and training for recipient rights staff.
- 11 (i) Change in type of treatment.
- 12 (j) Medication procedures.
- 13 (k) Use of psychotropic drugs.
- 14 (l) Use of restraint.
- 15 (m) Right to be treated with dignity and respect.
- 16 (n) Least restrictive setting.
- 17 (o) Services suited to condition.
- 18 (p) Policies and procedures that address all of the following
- 19 matters with respect to residents:
- 20 (i) Right to entertainment material, information, and news.
- 21 (ii) Comprehensive examinations.
- 22 (iii) Property and funds.
- 23 (iv) Freedom of movement.
- 24 (v) Resident labor.
- 25 (vi) Communication and visits.
- 26 (vii) Use of seclusion.
- 27 (2) All policies and procedures required by this section shall
- 28 be established within 12 months after the effective date of the
- 29 amendatory act that added section 753.

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

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

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

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

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

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

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

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

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

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

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

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

29 (f) Technical assistance and training in recipient rights



1 protection are available to all community mental health services
2 programs and other mental health service providers subject to this
3 act.

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

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

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

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

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

29 (5) The state office of recipient rights may do all of the



1 following:

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

4 (b) Resolve disputes relating to violations.

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

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

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

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

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

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

25 (d) Initiate actions that are appropriate and necessary to
26 safeguard and protect rights guaranteed by this chapter to
27 recipients of services provided directly by the department or by
28 its contract providers other than community mental health services
29 programs.



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

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

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

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

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

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

29 (k) Ensure that all reports of apparent or suspected



1 violations of rights within state facilities or programs operated
 2 by providers under contract with the department other than
 3 community mental health services programs 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 (c).

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

13 (m) Serve as consultant to the director in matters related to
 14 recipient rights.

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

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

27 (i) Summary data by type or category regarding the rights of
 28 recipients receiving services from the department including the
 29 number of complaints received by each state facility and other



1 state-operated placement agency, the number of reports filed, and
2 the number of reports investigated.

3 (ii) The number of substantiated rights violations by category
4 and by state facility.

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

7 (iv) Training received by staff of the state office of
8 recipient rights.

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

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

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

15 (viii) Review of budgetary issues including staffing and
16 financial resources.

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

19 (x) Recommendations to the department.

20 (p) Provide education and training to its recipient rights
21 advisory committee and its recipient rights appeals committee.

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

26 (2) Each community mental health services program, **each**
27 **specialty integrated plan**, and each licensed hospital shall ensure
28 all of the following:

29 (a) Education and training in recipient rights policies and



1 procedures are provided to its recipient rights advisory committee
2 and its recipient rights appeals committee.

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

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

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

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

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

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

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

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

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

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

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



1 endeavor to ensure all of the following:

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

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

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

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

23 (6) ~~(5)~~—Each office of recipient rights established under this
24 section shall do all of the following:

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

27 (b) Ensure that recipients, parents of minor recipients, and
28 guardians or other legal representatives have access to summaries
29 of the rights guaranteed by this chapter and chapter 7a and are



1 notified of those rights in an understandable manner, both at the
2 time services are initiated and periodically during the time
3 services are provided to the recipient.

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

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

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

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

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

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

28 (i) Ensure that all reports of apparent or suspected
29 violations of rights within the community mental health services



1 program system or licensed hospital system are investigated in
 2 accordance with section 778 and that those reports that do not
 3 warrant investigation are recorded in accordance with subdivision
 4 (d).

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

11 (7) ~~(6)~~—The executive director, **nurse case manager**, or
 12 hospital director shall submit to the board of the community mental
 13 health services program, **the behavioral health ombudsman and**
 14 **behavioral health accountability board**, or the governing board of
 15 the licensed hospital and the department an annual report prepared
 16 by the office of recipient rights on the current status of
 17 recipient rights in the community mental health services program
 18 system or licensed hospital system and a review of the operations
 19 of the office of recipient rights. The report shall be submitted
 20 not later than December 30 of each year for the preceding fiscal
 21 year or period specified in contract. The annual report shall
 22 include, at a minimum, all of the following:

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

28 (b) The number of substantiated rights violations by category
 29 and provider.



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

3 (d) Training received by staff of the office of recipient
4 rights.

5 (e) Training provided by the office of recipient rights to
6 contract providers.

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

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

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

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

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

27 **Sec. 761. (1) The behavioral health accountability council is**
28 **created within the office of the behavioral health ombudsman.**

29 (2) The behavioral health accountability council shall consist



1 of the following:

2 (a) The behavioral health ombudsman. The behavioral health
3 ombudsman shall serve as chair of the council.

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

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

8 (d) One individual representing the community mental health
9 services programs.

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

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

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

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

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

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

28 (4) The behavioral health accountability council shall monitor
29 the progress of the specialty integrated plans. The behavioral



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

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

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

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

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

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

27 (e) Leverage standards from national resources, including, but
28 not limited to, the Centers for Medicare and Medicaid Services,
29 National Committee for Quality Assurance, Substance Abuse and



1 Mental Health Services Administration, and Agency for Healthcare
2 Research and Quality.

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

10 (a) Continue the integration phase as intended.

11 (b) Extend the duration of the phase to allow for further
12 evaluation time of the phase.

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

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

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

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

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

29 (d) Standards to prevent inappropriate referral between



1 entities of common ownership.

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

6 (f) Standards of billing for services rendered at a crisis
7 stabilization unit.

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

17 (h) Physician oversight requirements.

18 (i) Nursing services.

19 (j) Staff to client ratios.

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

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

27 (m) Safety and emergency protocols.

28 (n) Pharmacy services.

29 (o) Standards addressing administration of medication.



1 (p) Standards for reporting to the department.

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

12 Enacting section 1. Section 269 of the mental health code,
13 1974 PA 258, MCL 330.1269, is repealed.

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

