

# SENATE BILL NO. 598

July 15, 2021, Introduced by Senators BIZON and SHIRKEY and referred to the Committee on Government Operations.

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 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, sections 207, 227, 705, 713, and 755 as added by 1995 PA 290, 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 by 2020 PA 402, section 748 as amended by 2016 PA 559, section 754 as amended by 2006 PA 604, and section 972 as added by 2020 PA 402, and by adding sections 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:

1 (a) A substance use disorder.

2 (b) A developmental disorder.

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

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

19 (a) A substance use disorder.

20 (b) A developmental disorder.

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

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

29 (5) "Specialized program" means a program of services,

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

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

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

15 (8) ~~(7)~~—"State administered funds" means revenues appropriated  
16 by the legislature exclusively for the purposes provided for in  
17 regard to substance use disorder services and prevention.

18 (9) ~~(8)~~—"State facility" means a center or a hospital operated  
19 by the department.

20 (10) ~~(9)~~—"State recipient rights advisory committee" means a  
21 committee appointed by the director under section 756 to advise the  
22 director and the director of the department's office of recipient  
23 rights.

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

1 safety, or welfare, or a combination thereof.

2 (12) ~~(11)~~—"Substance use disorder" means chronic disorder in  
3 which repeated use of alcohol, drugs, or both, results in  
4 significant and adverse consequences. Substance use disorder  
5 includes substance abuse.

6 (13) ~~(12)~~—"Substance use disorder prevention services" means  
7 services that are intended to reduce the consequences of substance  
8 use disorders in communities by preventing or delaying the onset of  
9 substance abuse and that are intended to reduce the progression of  
10 substance use disorders in individuals. Substance use disorder  
11 prevention is an ordered set of steps that promotes individual,  
12 family, and community health, prevents mental and behavioral  
13 disorders, supports resilience and recovery, and reinforces  
14 treatment principles to prevent relapse.

15 (14) ~~(13)~~—"Substance use disorder treatment and rehabilitation  
16 services" means providing identifiable recovery-oriented services  
17 including the following:

18 (a) Early intervention and crisis intervention counseling  
19 services for individuals who are current or former individuals with  
20 substance use disorder.

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

23 (c) Planned treatment services, including chemotherapy,  
24 counseling, or rehabilitation for individuals physiologically or  
25 psychologically dependent upon or abusing alcohol or drugs.

26 (15) ~~(14)~~—"Supplemental security income" means the program  
27 authorized under title XVI of the social security act, 42 USC 1381  
28 to 1383f.

29 (16) ~~(15)~~—"Telemedicine" means the use of an electronic media

1 to link patients with health care professionals in different  
2 locations. To be considered telemedicine under this section, the  
3 health care professional must be able to examine the patient via a  
4 health insurance portability and accountability act of 1996, Public  
5 Law 104-191 compliant, secure interactive audio or video, or both,  
6 telecommunications system, or through the use of store and forward  
7 online messaging.

8       **(17)** ~~(16)~~—"Transfer facility" means a facility selected by the  
9 department-designated community mental health entity, which  
10 facility is physically located in a jail or lockup and is staffed  
11 by at least 1 designated representative when in use according to  
12 chapter 2A.

13       **(18)** ~~(17)~~—"Transition services" means a coordinated set of  
14 activities for a special education student designed within an  
15 outcome-oriented process that promotes movement from school to  
16 postschool activities, including postsecondary education,  
17 vocational training, integrated employment including supported  
18 employment, continuing and adult education, adult services,  
19 independent living, or community participation.

20       **(19)** ~~(18)~~—"Treatment" means care, diagnostic, and therapeutic  
21 services, including administration of drugs, and any other service  
22 for treatment of an individual's serious mental illness, serious  
23 emotional disturbance, or substance use disorder.

24       **(20)** ~~(19)~~—"Urgent situation" means a situation in which an  
25 individual is determined to be at risk of experiencing an emergency  
26 situation in the near future if he or she does not receive care,  
27 treatment, or support services.

28       **(21)** ~~(20)~~—"Wraparound services" means an individually designed  
29 set of services provided to minors with serious emotional

1 disturbance or serious mental illness and their families that  
2 includes treatment services and personal support services or any  
3 other supports necessary to foster education preparedness,  
4 employability, and preservation of the child in the family home.  
5 Wraparound services are to be developed through an interagency  
6 collaborative approach and a minor's parent or guardian and a minor  
7 age 14 or older are to participate in planning the services.

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

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

20       (a) Direct services to individuals who have a serious mental  
21 illness, developmental disability, or serious emotional  
22 disturbance. The department shall give priority to the following  
23 services:

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

27       (ii) Services for individuals with serious mental illness,  
28 serious emotional disturbance, or developmental disability who are  
29 in urgent or emergency situations.

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

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

17 (d) Submit to the members of the house and senate standing  
18 committees and appropriation subcommittees with legislative  
19 oversight of mental health matters an annual report summarizing its  
20 assessment of the mental health needs of ~~the~~ **this** state and  
21 incorporating information received from community mental health  
22 services programs under section 226 **and specialty integrated plans**  
23 **under section 109f of the social welfare act, 1939 PA 280, MCL**  
24 **400.109f.** The report ~~shall~~ **must** include an estimate of the cost of  
25 meeting all identified needs. Additional information shall be made  
26 available to the legislature upon request.

27 (e) Endeavor to develop and establish arrangements and  
28 procedures for the effective coordination and integration of all  
29 public mental health services, and for effective cooperation



1 between public and nonpublic services, for the purpose of providing  
2 a unified system of statewide mental health care.

3 (f) Review and evaluate the relevance, quality, effectiveness,  
4 and efficiency of mental health services being provided by the  
5 department and ~~assure~~**ensure** the review and evaluation of mental  
6 health services provided by community mental health services  
7 programs **and specialty integrated plans**. The department shall  
8 establish and implement a structured system to provide data  
9 necessary for the reviews and evaluations.

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

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

15 (i) Support research activities.

16 (j) Support evaluation and quality improvement activities.

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

24 (l) Support multicultural services.

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

26 (a) Direct services to individuals who have mental disorders  
27 that meet diagnostic criteria specified in the most recent  
28 diagnostic and statistical manual of mental health disorders  
29 published by the American ~~psychiatric association~~**Psychiatric**

1 **Association** and approved by the department and to the prevention of  
2 mental disability and the promotion of mental health. Resources  
3 that have been specifically appropriated for services to  
4 individuals with dementia, alcoholism, or substance ~~abuse,~~**use**  
5 **disorder**, or for the prevention of mental disability and the  
6 promotion of mental health shall be utilized for those specific  
7 purposes.

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

12 (c) Operate mental health programs or facilities directly or  
13 through contractual arrangement.

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

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

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

28 (e) Enter into an agreement, contract, or arrangement with any  
29 individual or public or nonpublic entity that is necessary or

1 appropriate to fulfill those duties or exercise those powers that  
2 have by statute been given to the department.

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

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

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

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

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

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

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

23 (4) Psychiatric facilities and other providers determined by  
24 the department must provide the department with the number of  
25 inpatient psychiatric beds available in those facilities at the  
26 time the information is provided. The information must be provided  
27 by the psychiatric facilities and other providers on a basis as  
28 close to real time as possible. Psychiatric facilities and other  
29 providers must provide the department with this information as

1 specified under subsection (7).

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

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

10 (a) The department.

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

12 (c) Psychiatric facilities.

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

14 (5).

15 (e) Consumers, families, and advocates.

16 (f) Law enforcement.

17 (7) The department shall establish requirements for  
18 psychiatric facilities and other providers as determined by the  
19 department to report information to the department in consultation  
20 with the committee established under subsection (6).

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

29 (9) The department, in consultation with the committee

1 established under subsection (6), may establish a policy for the  
2 secondary use of registry data.

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

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

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

26 (3) Upon receipt of a request from an adult foster care  
27 facility for certification of a specialized program, the department  
28 ~~shall~~**must** inspect the facility to determine whether the proposed  
29 specialized program conforms with the requirements of this section

1 and rules promulgated under this section. The department ~~shall~~**must**  
2 provide ~~the department of social services with~~ an inspection report  
3 and a certification, denial of certification, revocation, or  
4 certification with limited terms for the proposed specialized  
5 program. The department ~~shall~~**must** reinspect a certified  
6 specialized program not less than once biennially and ~~notify the~~  
7 ~~department of social services~~**make notification** in the same manner  
8 as for the initial certification. In carrying out this subsection,  
9 the department may contract with a community mental health services  
10 program, **specialty integrated program**, or any other agency.

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

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

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

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

27 (b) Refer and connect individuals requiring mental health or  
28 substance use disorder services to mental health professionals,  
29 including, but not limited to, community mental health services

1 programs ~~and~~ prepaid inpatient health plans, **and specialty**  
2 **integrated plans**, using telecommunications and digital  
3 communications methods commonly in use, such as a telephone call,  
4 text message, ~~electronic mail,~~ **email**, and internet chat.

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

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

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

13 (f) Develop and utilize a customer relationship management  
14 infrastructure for the access line to track, monitor, assign,  
15 follow up, and report on access line operations. This customer  
16 relationship management infrastructure must provide appropriate  
17 community and provider access.

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

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

29 (4) The department has operational oversight for, including

1 access to and utilization of, the customer relationship management  
 2 infrastructure. Community mental health services programs and  
 3 prepaid inpatient health plans may access the customer relationship  
 4 management infrastructure.

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

7 (6) An individual operating or maintaining the access line  
 8 under contract with the department has the same immunity provided  
 9 for a governmental employee under section 7 of 1964 PA 170, MCL  
 10 691.1407.

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

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

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

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



1 individual.

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

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

26           (3) The procedures and policies for multicounty community  
27 mental health services programs shall not take effect until at  
28 least 3 public hearings on the proposed procedures and policies  
29 have been held.

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

12 (5) **A specialty integrated plan is a separate entity that is**  
13 **either a managed care organization or a person operating a system**  
14 **of health care delivery and financing as provided under section**  
15 **3573 of the insurance code of 1956, 1956 PA 218, MCL 500.3573, and**  
16 **that operates as a community mental health services program under**  
17 **this chapter. Procedures and policies for a specialty integrated**  
18 **plan operating as a community mental health services program shall**  
19 **be set by June 1, 2022.**

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

29 (a) The purpose and power to be exercised by the regional

1 entity to carry out the provisions of this act, including the  
2 manner by which the purpose shall be accomplished or the power  
3 shall be exercised.

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

7 (i) Whether a community mental health services program that  
8 subsequently participates in the regional entity may participate in  
9 governing activities.

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

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

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

25 (i) The manner for equitably providing for, obtaining, and  
26 allocating revenues derived from a federal or state grant or loan,  
27 a gift, bequest, grant, or loan from a private source, or an  
28 insurance payment or service fee.

29 (ii) The method or formula for equitably allocating and

1 financing the regional entity's capital and operating costs,  
2 payments to reserve funds authorized by law, and payments of  
3 principal and interest on obligations.

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

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

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

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

17 (f) The manner in which the regional entity shall enter into  
18 contracts including a contract involving the acquisition,  
19 ownership, custody, operation, maintenance, lease, or sale of real  
20 or personal property and the disposition, division, or distribution  
21 of property acquired through the execution of the contract.

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

24 (h) The effect of a participating community mental health  
25 service program's failure to pay its designated share of the  
26 regional entity's costs and expenses, and the rights of the other  
27 participating community mental health services programs as a result  
28 of that failure.

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

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

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

5 (a) The power, privilege, or authority that the participating  
6 community mental health services programs share in common and may  
7 exercise separately under this act, whether or not that power,  
8 privilege, or authority is specified in the bylaws establishing the  
9 regional entity.

10 (b) The power to contract with the state to serve as the  
11 ~~medicaid~~**Medicaid** specialty service prepaid health plan for the  
12 designated service areas of the participating community mental  
13 health services programs.

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

20 (d) The power to enter into a contract with a participating  
21 community mental health service program **or specialty integrated**  
22 **plan under the Medicaid managed care program described in section**  
23 **109f of the social welfare act, 1939 PA 280, MCL 400.109f**, for any  
24 service to be performed for, by, or from the participating  
25 community mental health services program.

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

29 (3) A regional entity established under this section is a

1 public governmental entity separate from the county, authority, or  
2 organization that establishes it.

3 (4) All the privileges and immunity from liability and  
4 exemptions from laws, ordinances, and rules provided under section  
5 205(3)(b) to county community mental health service programs and  
6 their board members, officers, and administrators, and county  
7 elected officials and employees of county government are retained  
8 by a regional entity created under this section and the regional  
9 entity's board members, officers, agents, and employees.

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

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

17 (7) If a regional entity assumes the duties of a participating  
18 community mental health services program or contracts with a  
19 private individual or entity to assume the duties of a  
20 participating community mental health services program, the  
21 regional entity shall comply with all of the following:

22 (a) The manner of employing, compensating, transferring, or  
23 discharging necessary personnel is subject to the provisions of the  
24 applicable civil service and merit systems and the following  
25 restrictions:

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

27 (ii) A regional entity and its employees are subject to 1947 PA  
28 336, MCL 423.201 to 423.217.

29 (b) At the time a regional entity is established under this

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

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

29 Sec. 206. (1) The purpose of a community mental health

1 services program ~~shall be~~ **and a specialty integrated plan is** to  
2 provide a comprehensive array of mental health services appropriate  
3 to conditions of individuals who are located within its geographic  
4 service area, regardless of an individual's ability to pay. **A**  
5 **specialty integrated plan is required to offer the same array of**  
6 **services for Medicaid beneficiaries enrolled in the specialty**  
7 **integrated plan.** The array of mental health services shall include,  
8 at a minimum, all of the following:

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

14 (b) Identification, assessment, and diagnosis to determine the  
15 specific needs of the recipient and to develop an individual plan  
16 of services.

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

19 (d) Specialized mental health recipient training, treatment,  
20 and support, including therapeutic clinical interactions,  
21 socialization and adaptive skill and coping skill training, health  
22 and rehabilitative services, and pre-vocational and vocational  
23 services.

24 (e) Recipient rights services.

25 (f) Mental health advocacy.

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

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



1           (2) Services ~~shall~~**must** promote the best interests of the  
 2 individual and ~~shall~~**must** be designed to increase independence,  
 3 improve quality of life, and support community integration and  
 4 inclusion. Services for children and families ~~shall~~**must** promote  
 5 the best interests of the individual receiving services and shall  
 6 be designed to strengthen and preserve the family unit if  
 7 appropriate. The community mental health services program **and**  
 8 **specialty integrated plan** shall deliver services in a manner that  
 9 demonstrates they are based upon recipient choice and involvement,  
 10 and shall include wraparound services when appropriate.

11           Sec. 207. Each community mental health services program **and**  
 12 **specialty integrated plan** shall provide services designed to divert  
 13 persons with serious mental illness, serious emotional disturbance,  
 14 or developmental disability from possible jail incarceration when  
 15 appropriate. These services shall be consistent with policy  
 16 established by the department.

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

23           (a) Entering the criminal justice system.

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

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

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

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

3 (a) The county sheriff's department.

4 (b) The county prosecutor's office.

5 (c) The community mental health services program that provides  
6 services in that county.

7 (d) The county board of commissioners.

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

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

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

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

19 (a) Guidelines for program eligibility.

20 (b) Interparty communication and coordination.

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

22 (d) Involvement of service consumers, family members, and  
23 other stakeholders.

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

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

27 (g) Resource sharing between the parties to the interagency  
28 agreement.

29 (h) Screening and assessment procedures.

1 (i) Guidelines for case management.

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

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

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

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

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

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

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

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

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

1 annually by the legislature for the program.

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

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

17       (3) Priority shall be given to the provision of services to  
18 individuals with the most severe forms of serious mental illness,  
19 serious emotional disturbance, and developmental disability.  
20 Priority shall also be given to the provision of services to  
21 individuals with a serious mental illness, serious emotional  
22 disturbance, or developmental disability in urgent or emergency  
23 situations.

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

27       Sec. 209a. (1) The appropriate community mental health  
28 services program **or specialty integrated plan**, with the assistance  
29 of the state facility or licensed hospital under contract with a

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

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

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

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

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

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

1 develop a release plan in cooperation with the individual unless  
2 the individual refuses this service.

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

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

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

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

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

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

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

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

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

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

23 (a) Annually conduct a needs assessment to determine the  
24 mental health needs of the residents of the county or counties it  
25 represents and identify public and nonpublic services necessary to  
26 meet those needs. Information and data concerning the mental health  
27 needs of individuals with developmental disability, serious mental  
28 illness, and serious emotional disturbance ~~shall~~ **must** be reported  
29 to the department in accordance with procedures and at a time

1 established by the department, along with plans to meet identified  
2 needs. It is the responsibility of the community mental health  
3 services program to involve the public and private providers of  
4 mental health services located in the county or counties served by  
5 the community mental health program in this assessment and service  
6 identification process. The needs assessment ~~shall~~**must** include  
7 information gathered from all appropriate sources, including  
8 community mental health waiting list data, **specialty integrated**  
9 **plan data**, and school districts providing special education  
10 services, **consistent with and necessary to complete the needs**  
11 **assessment as specified by the department.**

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

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



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

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

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

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

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

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

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

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

28 (l) Establish general policy guidelines within which the  
29 executive director shall execute the community mental health

1 services program.

2 (m) Require the executive director to select a physician, a  
3 registered professional nurse with a specialty certification issued  
4 under section 17210 of the public health code, 1978 PA 368, MCL  
5 333.17210, or a licensed psychologist to advise the executive  
6 director on treatment issues.

7 **(n) Report monthly to the behavioral health ombudsman and the**  
8 **behavioral health accountability council on the progress of the**  
9 **specialty integrated plans.**

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

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

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

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

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

26 (c) Carry forward the operating margin up to 5% of the  
27 community mental health services program's state share of the  
28 operating budget for the fiscal years ending September 30, 2009,  
29 2010, and 2011. As used in this subdivision, "operating margin"

1 means the excess of state revenue over state expenditures for a  
 2 single fiscal year exclusive of capitated payments under a managed  
 3 care system. In the case of a community mental health authority,  
 4 this carryforward is in addition to the reserve accounts described  
 5 in section 205(4)(h).

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

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

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

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

23 (4) A community mental health services program that has  
 24 provided assisted outpatient treatment services during a fiscal  
 25 year may be eligible for reimbursement if an appropriation is made  
 26 for assisted outpatient treatment services for that fiscal year.  
 27 The reimbursement described in this subsection is in addition to  
 28 any funds that the community mental health services program is  
 29 otherwise eligible to receive for providing assisted outpatient

1 treatment services.

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

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

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

27       (a) Administer and coordinate state administered funds for  
 28 substance use disorder treatment and rehabilitation services and  
 29 substance use disorder prevention services.

1 (b) Use appropriations of revenues from taxes imposed by the  
2 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to  
3 436.2303, exclusively for the purposes provided in that act.

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

8 (d) Provide technical assistance to department-designated  
9 community mental health entities, **specialty integrated plans**, and  
10 community mental health services programs and to treatment,  
11 rehabilitation, and prevention agencies for the purposes of program  
12 development, administration, and evaluation.

13 (e) Develop annually a comprehensive state plan through the  
14 use of federal, state, local, and private resources of adequate  
15 services and facilities for the prevention and control of substance  
16 use disorder and the diagnosis, treatment, and rehabilitation of  
17 individuals with substance use disorder.

18 (f) Evaluate, in cooperation with appropriate state  
19 departments and agencies, the effectiveness of substance use  
20 disorder services in the state funded by federal, state, local, and  
21 private resources, and annually during the month of November,  
22 report a summary of the detailed evaluation to the governor and the  
23 legislature.

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

25 (a) Cooperate with agencies of the federal government and  
26 receive and use federal funds for purposes authorized by the  
27 legislature.

28 (b) ~~Prior to the expenditure of~~ **Before expending** funds  
29 appropriated to other state agencies receiving appropriations for

1 substance use disorder treatment and rehabilitation services and  
2 substance use disorder prevention services, have a contract signed  
3 with the receiving ~~department-designated community mental health~~  
4 entity. The department shall **must** submit a copy of each agreement  
5 to the governor and the appropriations committees of the senate and  
6 house of representatives.

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

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

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

20       (c) Provide technical assistance for local substance use  
21 disorder service programs.

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

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

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

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

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

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

1 waiting list.

2       Sec. 287. (1) The composition of the department-designated  
3 community mental health entity board shall consist of  
4 representatives of mental health, developmental or intellectual  
5 disabilities, and substance use disorder services.

6       (2) The department-designated community mental health entity  
7 **and specialty integrated plan** shall ensure that funding dedicated  
8 to substance use disorder services shall be retained for substance  
9 use disorder services and not diverted to fund services that are  
10 not for substance use disorders.

11       (3) A department-designated community mental health entity  
12 designated by the director to assume the responsibilities of  
13 providing substance use disorder services for a county or region  
14 shall retain the existing providers who are under contract to  
15 provide substance use disorder treatment and prevention services  
16 for a period of 2 years after ~~the effective date of the amendatory~~  
17 ~~act that added this section.~~ **December 28, 2012.** Unless another plan  
18 is approved by the county board of commissioners, counties or  
19 regions that have local public health departments that contract  
20 with substance use disorder providers on ~~the effective date of the~~  
21 ~~amendatory act that added this section.~~ **December 28, 2012** shall  
22 continue to allow the local public health department to carry out  
23 that function for 2 years after ~~the effective date of the~~  
24 ~~amendatory act that added this section.~~ **December 28, 2012. Beginning**  
25 **not later than January 1, 2026 or upon implementation of a**  
26 **specialty integrated plan as provided under section 109f(4)(b) of**  
27 **the social welfare act, 1939 PA 280, MCL 400.109f, whichever is**  
28 **sooner, the director may designate a specialty integrated plan to**  
29 **assume the responsibilities of providing substance use disorder**



1 **services for a county or region.**

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

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

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

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

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

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

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

7 (7) The department shall work with department-designated  
8 community mental health entities, ~~and~~ community mental health  
9 services programs, **and specialty integrated plans** to simplify the  
10 administrative and reporting requirements for mental health  
11 services and substance use disorder services.

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

24 Sec. 409. (1) Each community mental health services program  
25 shall establish 1 or more preadmission screening units with 24-hour  
26 availability to provide assessment and screening services for  
27 individuals being considered for admission into hospitals, assisted  
28 outpatient treatment programs, or crisis services on a voluntary  
29 basis. The community mental health services program shall employ

1 mental health professionals or licensed bachelor's social workers  
2 licensed under part 185 of the public health code, 1978 PA 368, MCL  
3 333.18501 to 333.18518, to provide the preadmission screening  
4 services or contract with another agency that meets the  
5 requirements of this section. Preadmission screening unit staff  
6 shall be supervised by a registered professional nurse or other  
7 mental health professional possessing at least a master's degree. **A**  
8 **specialty integrated plan must establish or contract with a**  
9 **community mental health services program for a preadmission**  
10 **screening unit in each community mental health services program**  
11 **location that it serves.**

12 (2) Each community mental health services program **and**  
13 **specialty integrated plan** shall provide the address and telephone  
14 number of its preadmission screening unit or units to law  
15 enforcement agencies, the department, the court, and hospital  
16 emergency rooms.

17 (3) A preadmission screening unit shall assess an individual  
18 being considered for admission into a hospital operated by the  
19 department or under contract with the community mental health  
20 services program **or specialty integrated plan**. If the individual is  
21 clinically suitable for hospitalization, the preadmission screening  
22 unit shall authorize voluntary admission to the hospital.

23 (4) If the preadmission screening unit of the community mental  
24 health services program denies hospitalization, the individual or  
25 the person making the application may request a second opinion from  
26 the executive director **or the nurse case manager of the specialty**  
27 **integrated plan, whichever is applicable**. The executive director **or**  
28 **nurse case manager** shall arrange for an additional evaluation by a  
29 psychiatrist, other physician, or licensed psychologist to be

1 performed within 3 days, excluding Sundays and legal holidays,  
2 after the ~~executive director receives the request~~ **for a second**  
3 **opinion is received.** If the conclusion of the second opinion is  
4 different from the conclusion of the preadmission screening unit,  
5 the executive director **or nurse case manager, whichever is**  
6 **applicable,** in conjunction with the medical director, shall make a  
7 decision based on all clinical information available. The ~~executive~~  
8 ~~director's~~ **final** decision shall be confirmed in writing to the  
9 individual who requested the second opinion, and the confirming  
10 document shall include the signatures of the executive director **or**  
11 **nurse case manager, whichever is applicable,** and medical director  
12 or verification that the decision was made in conjunction with the  
13 medical director. If an individual is assessed and found not to be  
14 clinically suitable for hospitalization, the preadmission screening  
15 unit shall provide appropriate referral services.

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

20 (6) A preadmission screening unit shall assess and examine, or  
21 refer to a hospital for examination, an individual who is brought  
22 to the preadmission screening unit by a peace officer or ordered by  
23 a court to be examined. If the individual meets the requirements  
24 for hospitalization, the preadmission screening unit shall  
25 designate the hospital to which the individual shall be admitted.  
26 The preadmission screening unit shall consult with the individual  
27 and, if the individual agrees, the preadmission screening unit must  
28 consult with the individual's family member of choice, if  
29 available, as to the preferred hospital for admission of the

1 individual.

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

- 13 (a) The individual is no longer a person requiring treatment.  
14 (b) A referral to outpatient services for aftercare treatment.  
15 (c) A referral to a partial hospitalization program.  
16 (d) A referral to a residential treatment center, including  
17 crisis residential services.  
18 (e) A referral to an inpatient bed.  
19 (f) An order for involuntary treatment of the individual has  
20 been issued under section 281b, 281c, former 433, or 434.

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

25 (9) If the individual chooses a hospital not under contract  
26 with a community mental health services program **or a specialty**  
27 **integrated plan**, and the hospital agrees to the admission, the  
28 preadmission screening unit shall refer the individual to the  
29 hospital that is requested by the individual. Any financial

1 obligation for the services provided by the hospital shall be  
2 satisfied from funding sources other than the community mental  
3 health services program, **specialty integrated plan**, the department,  
4 or other state or county funding.

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

14       (2) If the individual providing the second opinion determines  
15 that the applicant has a serious mental illness, serious emotional  
16 disturbance, or a developmental disability, or is experiencing an  
17 emergency situation or urgent situation, the community mental  
18 health services program **or specialty integrated plan** shall direct  
19 services to the applicant.

20       Sec. 713. A recipient shall be given a choice of physician or  
21 other mental health professional in accordance with the policies of  
22 the community mental health services program, **specialty integrated**  
23 **plan**, licensed hospital, or service provider under contract with  
24 the community mental health services program, or licensed hospital  
25 providing services and within the limits of available staff in the  
26 community mental health services program, **specialty integrated**  
27 **plan**, licensed hospital, or service provider under contract with  
28 the community mental health services program, or licensed hospital.

29       Sec. 748. (1) Information in the record of a recipient, and

1 other information acquired in the course of providing mental health  
2 services to a recipient, shall be kept confidential and is not open  
3 to public inspection. The information may be disclosed outside the  
4 department, community mental health services program, **specialty**  
5 **integrated plan**, licensed facility, or contract provider, whichever  
6 is the holder of the record, only in the circumstances and under  
7 the conditions set forth in this section or section 748a.

8 (2) If information made confidential by this section is  
9 disclosed, the identity of the individual to whom it pertains shall  
10 be protected and shall not be disclosed unless it is germane to the  
11 authorized purpose for which disclosure was sought. When  
12 practicable, no other information shall be disclosed unless it is  
13 germane to the authorized purpose for which disclosure was sought.

14 (3) An individual receiving information made confidential by  
15 this section shall disclose the information to others only to the  
16 extent consistent with the authorized purpose for which the  
17 information was obtained.

18 (4) For case record entries made subsequent to March 28, 1996,  
19 information made confidential by this section shall be disclosed to  
20 an adult recipient, upon the recipient's request, if the recipient  
21 does not have a guardian and has not been adjudicated legally  
22 incompetent. The holder of the record shall comply with the adult  
23 recipient's request for disclosure as expeditiously as possible but  
24 in no event later than the earlier of 30 days after receipt of the  
25 request or, if the recipient is receiving treatment from the holder  
26 of the record, before the recipient is released from treatment.

27 (5) Except as otherwise provided in this section or section  
28 748a, when requested, information made confidential by this section  
29 shall be disclosed only under 1 or more of the following

1 circumstances:

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

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

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

10 (d) If necessary in order to comply with another provision of  
11 law.

12 (e) To the department if the information is necessary in order  
13 for the department to discharge a responsibility placed upon it by  
14 law.

15 (f) To the office of the auditor general if the information is  
16 necessary for that office to discharge its constitutional  
17 responsibility.

18 (g) To a surviving spouse of the recipient or, if there is no  
19 surviving spouse, to the individual or individuals most closely  
20 related to the deceased recipient within the third degree of  
21 consanguinity as defined in civil law, for the purpose of applying  
22 for and receiving benefits.

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



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

2 (b) The recipient or his or her guardian or the parent of a  
3 minor recipient or another individual or agency unless in the  
4 written judgment of the holder the disclosure would be detrimental  
5 to the recipient or others.

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

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

10 (b) As necessary for treatment, coordination of care, or  
11 payment for the delivery of mental health services, in accordance  
12 with the health insurance portability and accountability act of  
13 1996, Public Law 104-191.

14 (c) As necessary for the purpose of outside research,  
15 evaluation, accreditation, or statistical compilation. The  
16 individual who is the subject of the information shall not be  
17 identified in the disclosed information unless the identification  
18 is essential in order to achieve the purpose for which the  
19 information is sought or if preventing the identification would  
20 clearly be impractical, but not if the subject of the information  
21 is likely to be harmed by the identification.

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

26 (8) If required by federal law, the department or a community  
27 mental health services program or licensed facility shall grant a  
28 representative of the protection and advocacy system designated by  
29 the governor in compliance with section 931 access to the records

1 of all of the following:

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

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

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

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

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

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

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

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

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

26 (9) The records, data, and knowledge collected for or by  
27 individuals or committees assigned a peer review function,  
28 including the review function under section 143a(1), are  
29 confidential, shall be used only for the purposes of peer review,

1 are not public records, and are not subject to court subpoena. This  
2 subsection does not prevent disclosure of individual case records  
3 under this section.

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

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

- 23 (a) Complaint and appeal processes.  
24 (b) Consent to treatment and services.  
25 (c) Sterilization, contraception, and abortion.  
26 (d) Fingerprinting, photographing, audiotaping, and use of 1-  
27 way glass.  
28 (e) Abuse and neglect, including detailed categories of type  
29 and severity.

- 1 (f) Confidentiality and disclosure.  
 2 (g) Treatment by spiritual means.  
 3 (h) Qualifications and training for recipient rights staff.  
 4 (i) Change in type of treatment.  
 5 (j) Medication procedures.  
 6 (k) Use of psychotropic drugs.  
 7 (l) Use of restraint.  
 8 (m) Right to be treated with dignity and respect.  
 9 (n) Least restrictive setting.  
 10 (o) Services suited to condition.  
 11 (p) Policies and procedures that address all of the following  
 12 matters with respect to residents:
- 13 (i) Right to entertainment material, information, and news.
  - 14 (ii) Comprehensive examinations.
  - 15 (iii) Property and funds.
  - 16 (iv) Freedom of movement.
  - 17 (v) Resident labor.
  - 18 (vi) Communication and visits.
  - 19 (vii) Use of seclusion.
- 20 (2) All policies and procedures required by this section shall  
 21 be established within 12 months after the effective date of the  
 22 amendatory act that added section 753.
- 23 Sec. 754. (1) The department shall establish a state office of  
 24 recipient rights **within the office of the behavioral health**  
 25 **ombudsman** subordinate only to the ~~director~~ **behavioral health**  
 26 **ombudsman**.
- 27 (2) The department ~~shall~~ **must** ensure all of the following:  
 28 (a) The process for funding the state office of recipient  
 29 rights includes a review of the funding by the state recipient

1 rights advisory committee.

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

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

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

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

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

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

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

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

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

22 (f) Technical assistance and training in recipient rights  
23 protection are available to all community mental health services  
24 programs and other mental health service providers subject to this  
25 act.

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

28 (a) The state office of recipient rights has sufficient staff  
29 and other resources necessary to perform the duties described in

1 this section.

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

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

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

22 (5) The state office of recipient rights may do all of the  
23 following:

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

26 (b) Resolve disputes relating to violations.

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

29 (d) Apply for and receive grants, gifts, and bequests to

1 effectuate any purpose of this chapter.

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

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

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

14 (c) Maintain a record system for all reports of apparent or  
15 suspected rights violations received, including a mechanism for  
16 logging in all complaints and a mechanism for secure storage of all  
17 investigative documents and evidence.

18 (d) Initiate actions that are appropriate and necessary to  
19 safeguard and protect rights guaranteed by this chapter to  
20 recipients of services provided directly by the department or by  
21 its contract providers other than community mental health services  
22 programs.

23 (e) Receive reports of apparent or suspected violations of  
24 rights guaranteed by this chapter. The state office of recipient  
25 rights ~~shall~~**must** refer reports of apparent or suspected rights  
26 violations to the recipient rights office of the appropriate  
27 provider to be addressed by the provider's internal rights  
28 protection mechanisms. The state office ~~shall~~**must** intervene as  
29 necessary to act on behalf of recipients in situations in which the

1 **department** director ~~of the department~~ considers the rights  
2 protection system of the provider to be out of compliance with this  
3 act and rules promulgated under this act.

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

8 (g) Advise recipients that there are advocacy organizations  
9 available to assist recipients in preparing written rights  
10 complaints and appeals and offer to refer recipients to those  
11 organizations.

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

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

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

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

29 (l) Review semiannual statistical rights data submitted by



1 community mental health services programs and licensed hospitals to  
 2 determine trends and patterns in the protection of recipient rights  
 3 in the public mental health system and provide a summary of the  
 4 data to community mental health services programs and to the  
 5 **department** director. ~~of the department.~~

6 (m) Serve as consultant to the director in matters related to  
 7 recipient rights.

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

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

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

25 (ii) The number of substantiated rights violations by category  
 26 and by state facility.

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

29 (iv) Training received by staff of the state office of

1 recipient rights.

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

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

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

8 (viii) Review of budgetary issues including staffing and  
9 financial resources.

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

12 (x) Recommendations to the department.

13 (p) Provide education and training to its recipient rights  
14 advisory committee and its recipient rights appeals committee.

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

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

22 (a) Education and training in recipient rights policies and  
23 procedures are provided to its recipient rights advisory committee  
24 and its recipient rights appeals committee.

25 (b) The process for funding the office of recipient rights  
26 includes a review of the funding by the recipient rights advisory  
27 committee.

28 (c) The office of recipient rights will be protected from  
29 pressures that could interfere with the impartial, even-handed, and

1 thorough performance of its duties.

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

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

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

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

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

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

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

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

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

24 (a) Complainants, staff of the office of recipient rights, and  
25 any staff acting on behalf of a recipient will be protected from  
26 harassment or retaliation resulting from recipient rights  
27 activities and that appropriate disciplinary action will be taken  
28 if there is evidence of harassment or retaliation.

29 (b) Appropriate remedial action is taken to resolve violations

1 of rights and notify the complainants of substantiated violations  
2 in a manner that does not violate employee rights.

3 (4) The executive director, **nurse case manager of CSIP**, or  
4 hospital director shall select a director of the office of  
5 recipient rights who has the education, training, and experience to  
6 fulfill the responsibilities of the office. The executive director  
7 **or nurse case manager** shall not select, replace, or dismiss the  
8 director of the office of recipient rights without first consulting  
9 the recipient rights advisory committee. The director of the office  
10 of recipient rights shall have no direct clinical service  
11 responsibility.

12 (5) Each office of recipient rights established under this  
13 section shall do all of the following:

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

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

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

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

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

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

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

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

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

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

29 (6) The executive director, **nurse case manager**, or hospital

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

12 (a) Summary data by category regarding the rights of  
13 recipients receiving services from the community mental health  
14 services program, **specialty integrated plan**, or licensed hospital  
15 including complaints received, the number of reports filed, and the  
16 number of reports investigated by provider.

17 (b) The number of substantiated rights violations by category  
18 and provider.

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

21 (d) Training received by staff of the office of recipient  
22 rights.

23 (e) Training provided by the office of recipient rights to  
24 contract providers.

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

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

29 **Sec. 760. (1) The office of the behavioral health ombudsman is**

1 created as an autonomous entity within the department. The  
2 principal executive officer of the office is the behavioral health  
3 ombudsman, who shall be appointed by the governor with the advice  
4 and consent of the senate. The behavioral health ombudsman shall  
5 serve at the pleasure of the governor. The individual must be  
6 qualified by training and experience to perform the duties of the  
7 office.

8 (2) The behavioral health ombudsman shall establish procedures  
9 for approving the budget of the office, for expending funds of the  
10 office, and for the employment of personnel for the office.

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

16 Sec. 761. (1) The behavioral health accountability council is  
17 created within the office of the behavioral health ombudsman.

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

20 (a) The behavioral health ombudsman. The behavioral health  
21 ombudsman shall serve as chair of the council.

22 (b) An individual from each of the health plans that were  
23 awarded the request for proposal for the special integrated plans.

24 (c) One individual representing the community mental health  
25 services programs.

26 (d) Three individuals representing recipients of mental health  
27 services.

28 (e) Individuals appointed by the senate majority leader, the  
29 senate minority leader, the speaker of the house of

1 representatives, and the house minority leader.

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

6 (4) The behavioral health accountability council shall monitor  
7 the progress of the specialty integrated plans. For each  
8 implementation phase, the department must complete a formal  
9 evaluation of that phase 18 months after the phase is implemented.

10 (5) The department must, at a minimum, use the predefined key  
11 metrics to assess the current state of the integration phase and  
12 evaluate the effectiveness of the integration efforts. Within 90  
13 days following the 18-month evaluation required under this  
14 subsection, the department must submit a report to the legislature  
15 with the findings, and include with it, an assessment of whether  
16 the implementation phase is considered successful, unsuccessful, or  
17 undetermined. If the evaluation yields a finding of unsuccessful or  
18 undetermined, the department must include a recommendation to do  
19 either of the following:

20 (a) Continue the integration phase as intended.

21 (b) Extend the duration of the phase to allow for further  
22 evaluation time of the phase.

23 (c) Propose reform to modify the current phase before the 24-  
24 month phase comes to an end.

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

28 (a) A standard requiring the capacity to carry out emergency  
29 receiving and evaluating functions but not to the extent that



1 brings the crisis stabilization unit under the provisions of  
2 section 1867 of the social security act, 42 USC 1395dd.

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

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

7 (d) Standards to prevent inappropriate referral between  
8 entities of common ownership.

9 (e) Standards regarding maximum length of stay at a crisis  
10 stabilization unit with discharge planning upon intake to a  
11 clinically appropriate level of care consistent with section  
12 409(7).

13 (f) Standards of billing for services rendered at a crisis  
14 stabilization unit.

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

24 (h) Physician oversight requirements.

25 (i) Nursing services.

26 (j) Staff to client ratios.

27 (k) Standards requiring a minimum amount of psychiatric  
28 supervision of an individual receiving services in the crisis  
29 stabilization unit that are consistent with the supervision

1 requirements applicable in a psychiatric hospital or psychiatric  
2 unit setting.

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

5 (m) Safety and emergency protocols.

6 (n) Pharmacy services.

7 (o) Standards addressing administration of medication.

8 (p) Standards for reporting to the department.

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

19 Enacting section 1. Section 269 of the mental health code,  
20 1974 PA 258, MCL 330.1269, is repealed.

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