

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 684

A bill to amend 1974 PA 258, entitled  
"Mental health code,"  
by amending sections 226 and 469a (MCL 330.1226 and 330.1469a),  
section 226 as amended by 2002 PA 595 and section 469a as added  
by 1996 PA 588, and by adding section 433.

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

1       Sec. 226. (1) The board of a community mental health  
2 services program shall do all of the following:  
3       (a) Annually conduct a needs assessment to determine the  
4 mental health needs of the residents of the county or counties it  
5 represents and identify public and nonpublic services necessary  
6 to meet those needs. Information and data concerning the mental  
7 health needs of individuals with developmental disability,  
8 serious mental illness, and serious emotional disturbance shall  
9 be reported to the department in accordance with procedures and

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

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

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

1 commissioners of each county creating the authority.

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

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

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

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

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

19 (i) Approve and authorize all contracts for the provision of  
20 services.

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

27 (k) Subject to subsection (3), appoint an executive director

1 of the community mental health services program who meets the  
2 standards of training and experience established by the  
3 department.

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

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

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

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

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

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

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

1 (c) Carry forward the operating margin up to 5% of the  
2 community mental health services program's state share of the  
3 operating budget for the fiscal years ending September 30, ~~2000,~~  
4 ~~2001, 2002, 2003, and 2004~~ **2005, 2006, 2007, and 2008**. As used  
5 in this subdivision, "operating margin" means the excess of state  
6 revenue over state expenditures for a single fiscal year  
7 exclusive of capitated payments under a managed care system. In  
8 the case of a community mental health authority, this  
9 carryforward is in addition to the reserve accounts described in  
10 section 205(4) (h).

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

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

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

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

1 program is otherwise eligible to receive for providing assisted  
2 outpatient treatment services.

3       Sec. 433. (1) Any individual 18 years of age or over may  
4 file a petition with the court that asserts that an individual  
5 meets the criteria for assisted outpatient treatment specified in  
6 section 401(d). The petition shall contain the facts that are  
7 the basis for the assertion, the names and addresses, if known,  
8 of any witnesses to the facts, the name and address of the mental  
9 health professional currently providing care to the individual  
10 who is the subject of the petition, if known, and the name and  
11 address of the nearest relative or guardian, if known, or, if  
12 none, a friend, if known, of the individual who is the subject of  
13 the petition.

14       (2) Upon receipt of a petition, the court shall inform the  
15 subject of the petition and the community mental health services  
16 program serving the community in which the subject of the  
17 petition resides that the court shall hold a hearing to determine  
18 whether the subject of the petition meets the criteria for  
19 assisted outpatient treatment. Notice shall be provided as set  
20 forth in section 453. The hearing shall be governed by sections  
21 454, 458 to 464, and 465.

22       (3) If in the hearing, the court verifies that the subject of  
23 the petition meets the criteria for assisted outpatient treatment  
24 and he or she is not scheduled to begin a course of outpatient  
25 mental health treatment that includes case management services or  
26 assertive community treatment team services, the court shall  
27 order the subject of the petition to receive assisted outpatient

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1 treatment through his or her local community mental health  
2 services program. The order shall include case management  
3 services [ ]. The  
4 order may include 1 or more of the following:

5 (a) Medication.

6 (b) Blood or urinalysis tests to determine compliance with or  
7 effectiveness of prescribed medications.

8 (c) Individual or group therapy.

9 (d) Day or partial day programs.

10 (e) Educational and vocational training.

11 (f) Supervised living.

12 [(g) Assertive community treatment team services.

13 (h)] Alcohol or substance abuse treatment, or both.

14 [(i)] Alcohol or substance abuse testing, or both, for  
15 individuals with a history of alcohol or substance abuse and for  
16 whom that testing is necessary to prevent a deterioration of  
17 their condition. A court order for alcohol or substance abuse  
18 testing shall be subject to review every 6 months.

19 [(j)] Any other services prescribed to treat the individual's  
20 mental illness and to either assist the individual in living and  
21 functioning in the community or to help prevent a relapse or  
22 deterioration that may reasonably be predicted to result in  
23 suicide or the need for hospitalization.

24 (4) To fulfill the requirements of an assisted outpatient  
25 treatment plan, the court's order may specify the service role  
26 that a publicly-funded entity other than the community mental  
27 health services program shall take.

(5) In developing an order under this section, the court

1 shall consider any preferences and medication experiences  
2 reported by the subject of the petition or his or her designated  
3 representative, whether or not the subject of the petition has an  
4 existing individual plan of services under section 712, and any  
5 directions included in a durable power of attorney or advance  
6 directive that exists. If the subject of the petition has not  
7 previously designated a patient advocate or executed an advance  
8 directive, the responsible community mental health services  
9 program shall, before the expiration of the assisted outpatient  
10 treatment order, ascertain whether the subject of the petition  
11 desires to establish an advance directive. If so, the community  
12 mental health services program shall direct the subject of the  
13 petition to the appropriate community resources for assistance in  
14 developing an advance directive.

15 (6) If an assisted outpatient treatment order conflicts with  
16 the provisions of an existing advance directive, durable power of  
17 attorney, or individual plan of services developed under section  
18 712, the assisted outpatient treatment order shall be reviewed  
19 for possible adjustment by a psychiatrist not previously involved  
20 with developing the assisted outpatient treatment order. If an  
21 assisted outpatient treatment order conflicts with the provisions  
22 of an existing advance directive, durable power of attorney, or  
23 individual plan of services developed under section 712, the  
24 court shall state the court's findings on the record or in  
25 writing if the court takes the matter under advisement, including  
26 the reason for the conflict.

27 (7) Nothing in this section negates or interferes with an



1 individual's rights to appeal under any other state law or  
2 Michigan court rule.

3 Sec. 469a. (1) Before ordering a course of treatment for an  
4 individual found to be a person requiring treatment, the court  
5 shall review a report on alternatives to hospitalization that was  
6 prepared under section 453a not more than 15 days before the  
7 court issues the order. After reviewing the report, the court  
8 shall do all of the following:

9 (a) Determine whether a treatment program that is an  
10 alternative to hospitalization or that follows an initial period  
11 of hospitalization is adequate to meet the individual's treatment  
12 needs and is sufficient to prevent harm that the individual may  
13 inflict upon himself or herself or upon others within the near  
14 future.

15 (b) Determine whether there is an agency or mental health  
16 professional available to supervise the individual's alternative  
17 treatment program.

18 (c) Inquire as to the individual's desires regarding  
19 alternatives to hospitalization.

20 (2) If the court determines that there is a treatment program  
21 that is an alternative to hospitalization that is adequate to  
22 meet the individual's treatment needs and prevent harm that the  
23 individual may inflict upon himself or herself or upon others  
24 within the near future and that an agency or mental health  
25 professional is available to supervise the program, the court  
26 shall issue an order for alternative treatment or combined  
27 hospitalization and alternative treatment in accordance with

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1 section 472a. The order shall state the community mental health  
2 services program or, if private arrangements have been made for  
3 the reimbursement of mental health treatment services in an  
4 alternative setting, the name of the mental health agency or  
5 professional that is directed to supervise the individual's  
6 alternative treatment program. The order may provide that if an  
7 individual refuses to comply with a psychiatrist's order to  
8 return to the hospital, a peace officer shall take the individual  
9 into protective custody and transport the individual to the  
10 hospital selected.

11 (3) If the court orders assisted outpatient treatment as the  
12 alternative to hospitalization, the order shall require assisted  
13 outpatient treatment through a community mental health services  
14 program or any other publicly-funded entity necessary for  
15 fulfillment of the assisted outpatient treatment plan. The order  
16 shall include case management services [

17 ] . The order for assisted outpatient  
18 treatment may include 1 or more of the following:

19 (a) Medication.

20 (b) Blood or urinalysis tests to determine compliance with  
21 prescribed medications.

22 (c) Individual or group therapy.

23 (d) Day or partial day programs.

24 (e) Educational and vocational training.

25 (f) Supervised living.

26 [(g) Assertive community treatment team services.

27 [(h)] Alcohol or substance abuse treatment, or both.

[(i)] Alcohol or substance abuse testing, or both, for

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1 individuals with a history of alcohol or substance abuse and for  
2 whom that testing is necessary to prevent a deterioration of  
3 their condition. A court order for alcohol or substance abuse  
4 testing shall be subject to review every 6 months.

5 [(j)] Any other services prescribed to treat the individual's  
6 mental illness and to either assist the individual in living and  
7 functioning in the community or to help prevent a relapse or  
8 deterioration that may reasonably be predicted to result in  
9 suicide or the need for hospitalization.

10 (4) In developing an order under this section, the court  
11 shall consider any preferences and medication experiences  
12 reported by the subject of the petition or his or her designated  
13 representative, whether or not the subject of the petition has an  
14 existing individual plan of services under section 712, and any  
15 directions included in a durable power of attorney or advance  
16 directive that exists. If the subject of the petition has not  
17 previously executed a durable power of attorney or an advance  
18 directive, the responsible community mental health services  
19 program shall, before the expiration of the assisted outpatient  
20 treatment order, ascertain whether the subject of the petition  
21 desires to establish an advance directive. If so, the community  
22 mental health services program shall offer to provide assistance  
23 in developing an advance directive.

24 (5) If an assisted outpatient treatment order conflicts with  
25 the provisions of an existing advance directive, durable power of  
26 attorney, or individual plan of services developed under section  
27 712, the assisted outpatient treatment order shall be reviewed

1 for possible adjustment by a psychiatrist not previously involved  
2 with developing the assisted outpatient treatment order. If an  
3 assisted outpatient treatment order conflicts with the provisions  
4 of an existing advance directive, durable power of attorney, or  
5 individual plan of services developed under section 712, the  
6 court shall state the court's findings on the record or in  
7 writing if the court takes the matter under advisement, including  
8 the reason for the conflict.

9 Enacting section 1. This amendatory act does not take  
10 effect unless all of the following bills of the 92nd Legislature  
11 are enacted into law:

- 12 (a) Senate Bill No. 683.
- 13 (b) Senate Bill No. 685.
- 14 (c) Senate Bill No. 686.
- 15 (d) Senate Bill No. 1464.