

Act No. 122  
Public Acts of 1991  
Approved by the Governor  
October 11, 1991  
Filed with the Secretary of State  
October 11, 1991

**STATE OF MICHIGAN  
86TH LEGISLATURE  
REGULAR SESSION OF 1991**

Introduced by Reps. Ostling, Johnson, Gilmer, Bender and Sparks

# ENROLLED HOUSE BILL No. 4582

AN ACT to make appropriations for the department of mental health and certain state purposes related to mental hygiene for the fiscal year ending September 30, 1992; to provide for the expenditure of such appropriations; to create funds; to provide for reports; to prescribe the powers and duties of certain state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

*The People of the State of Michigan enact:*

Sec. 101. There is appropriated for the department of mental health for the fiscal year ending September 30, 1992, from the funds identified hereunder:

## DEPARTMENT OF MENTAL HEALTH

### APPROPRIATIONS SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions.....	8,071.5	
Average population .....	3,717.0	
GROSS APPROPRIATION .....	\$	1,329,088,900
Interdepartmental grant revenues:		
IDG-department of corrections .....		1,820,000
Total grants .....		1,820,000
ADJUSTED GROSS APPROPRIATION .....	\$	1,327,268,900
Federal revenues:		
Federal revenue, additional acquired.....		4,167,800
HHS-HCFA, title XIX .....		274,372,400
HHS-OASH .....		5,307,800
Federal-special education .....		30,000
DED-OESE, educationally deprived children, state administration-title I .....		588,300
HHS-OHDS, Developmental disabilities, basic support and advocacy grants.....		2,309,500

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DAG-FNS, National school lunch program.....	\$	651,600
Homelessness formula grant program (P.L.101-646,title V) .....		1,122,300
Federal-Omnibus reconciliation act, title XIX.....		21,615,200
Federal training funds.....		135,000
ADAMHA-department of public health/office of substance abuse block grant.....		1,180,400
Total federal revenues.....		311,480,300
Special revenue funds:		
CMH or state agency purchase of services.....		1,000,000
Lease/rental revenue .....		1,085,000
Recipient fees and third-party reimbursements .....		5,500,000
1st/3rd party revenues .....		39,238,000
Miscellaneous revenue.....		200,000
Funds from sale of surplus property .....		5,000,000
Audit exception/cost settlement revenue .....		1,500,000
Total other revenues .....		53,523,000
Private-gifts and bequests revenues .....		2,000,000
Private revenue, additional acquired .....		1,000,000
Total private revenues.....		3,000,000
Local-community mental health-purchase of services.....		278,900
Local-special education revenue.....		1,796,800
Local county match revenues.....		33,889,900
Total local revenues .....		35,965,600
State general fund/general purpose .....	\$	923,300,000

**EXECUTIVE PROGRAM**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions.....	572.0	
Citizens' mental health advisory council (per diem cost, \$50.00 per member).....		\$ 35,500
Director.....		83,100
Deputy directors and executive assistants .....		231,600
Departmental administration and management, including facilities salaries and fringes — 566.0 FTE positions.....		33,622,400
Classified employees pay increases.....		9,300,000
Expansion of itemized billing implementation .....		1,500,000
Central fund for acquiring additional federal funds .....		4,167,800
Central fund for acquiring additional private funds .....		1,000,000
Transition of prisoner mental health care — 6.0 FTE positions.....		720,000
GROSS APPROPRIATION .....		\$ 50,660,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG-department of corrections .....		720,000
Federal revenues:		
HHS-HCFA, title XIX .....		1,274,500
Federal-special education .....		30,000
Federal revenue, additional acquired.....		4,167,800
Special revenue funds:		
Private revenue, additional acquired .....		1,000,000
1st/3rd party revenues .....		1,000,000
State general fund/general purpose .....		\$ 42,468,100

**DATA PROCESSING—MENTAL HEALTH**

Full-time equated classified positions.....	53.0	
Salaries and wages—53.0 FTE positions .....		\$ 2,115,300
Longevity and insurance.....		323,600
Retirement.....		416,800
Contractual services, supplies, and materials.....		599,000
Equipment.....		1,242,100

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Travel.....	\$ 20,000
Community mental health-ADP services.....	278,900
<b>GROSS APPROPRIATION .....</b>	<b>\$ 4,995,700</b>
Appropriated from:	
Special revenue funds:	
Local-community mental health-purchase of services .....	278,900
State general fund/general purpose .....	\$ 4,716,800
<b>DEVELOPMENTAL DISABILITIES</b>	
Full-time equated classified positions.....	12.0
Salaries and wages—12.0 FTE positions .....	\$ 504,500
Longevity and insurance.....	64,300
Retirement.....	89,900
Contractual services, supplies, and materials.....	80,000
Travel.....	19,600
Equipment.....	10,000
Rent .....	40,000
Developmental disabilities project grants.....	1,501,200
<b>GROSS APPROPRIATION .....</b>	<b>\$ 2,309,500</b>
Appropriated from:	
Federal revenues:	
HHS-OHDS, developmental disabilities, basic support and advocacy grants.....	2,309,500
State general fund/general purpose .....	\$ 0
<b>SPECIAL PROJECTS</b>	
Full-time equated classified positions.....	14.0
Developmental disabilities dental program.....	\$ 1,110,100
Pilot projects in prevention for mentally ill adults and children — 5.0 FTE positions .....	2,595,100
Consumer involvement program.....	487,200
Foster grandparent and senior companion program for the developmentally disabled and mentally ill adults.....	1,689,100
Permanency planning project—4.0 FTE positions .....	234,300
Mentally ill protection and advocacy services .....	398,100
Protection and advocacy services (pursuant to section 931 of Act No. 258 of the Public Acts of 1974, being section 330.1931 of the Michigan Compiled Laws).....	1,433,000
Mental health community services projects.....	777,000
Mentally ill multicultural and special needs projects.....	3,009,500
Mental health initiatives for older persons .....	670,500
Supported employment pilot project .....	803,400
Direct care staff training — 1.0 FTE position.....	485,000
Homelessness formula grant program —4.0 FTE positions .....	1,472,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 15,164,600</b>
Appropriated from:	
Federal revenues:	
Homelessness formula grant program (P.L.101-646,title V) .....	1,122,300
Federal training funds.....	135,000
State general fund/general purpose .....	\$ 13,907,300
<b>COMMUNITY MENTAL HEALTH PROGRAMS</b>	
Full-time equated classified positions.....	12.0
Community mental health programs.....	\$ 449,235,100
CMH-community residential services for mentally ill adults.....	338,100
CMH-community residential services for mentally ill children .....	159,600
CMH-community residential services for the developmentally disabled .....	4,196,600
Community support services for persons with developmental disabilities .....	1,000,000

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Inpatient care and alternative program (pursuant to section 116 of Act No. 258 of the Public Acts of 1974, being section 330.1116 of the Michigan Compiled Laws).....	\$	442,899,500
Federal block grant.....		5,307,800
Omnibus reconciliation act implementation —12.0 FTE positions.....		40,311,500
Community mental health grant fund (pursuant to sections 226a, 244, 300, 309, 310, 311, and 313 of Act No. 258 of the Public Acts of 1974, being sections 330.1226a, 330.1244, 330.1300, 330.1309, 330.1310, 330.1311, and 330.1313 of the Michigan Compiled Laws).....		5,500,000
Family support subsidy.....		11,093,800
<b>GROSS APPROPRIATION</b> .....	\$	<u>960,042,000</u>
Appropriated from:		
Federal revenues:		
ADAMHA-department of public health/office of substance abuse block grant.....		1,180,400
HHS-HCFA, title XIX.....		93,159,600
HHS-OASH.....		5,307,800
Federal-Omnibus reconciliation act, title XIX.....		21,615,200
Special revenue funds:		
Recipient fees and third-party reimbursements .....		5,500,000
State general fund/general purpose .....	\$	833,279,000
<b>COMMUNITY INPATIENT/RESIDENTIAL BEDS</b>		
Community inpatient/residential beds for mentally ill children and adults .....	\$	9,457,500
Clinton valley center reduction project .....		2,288,600
Developmentally disabled centers census reduction project.....		6,152,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>17,898,100</u>
Appropriated from:		
State general fund/general purpose .....	\$	17,898,100
<b>COMMUNITY RESIDENTIAL SERVICES</b>		
Full-time equated classified positions.....	5.0	
Community residential services for mentally ill children.....		\$ 8,147,300
Community residential services for mentally ill adults.....		6,783,000
Community residential services for the developmentally disabled .....		247,494,400
Private nursing homes and alternative services program — 5.0 FTE positions.....		17,711,300
Alternative intermediate services/mentally retarded .....		221,900
State police, fire marshal reviews.....		484,200
Department of social services, SSI advocacy for mental health .....		347,000
Department of public health, ICF/MR certification reviews.....		106,900
<b>GROSS APPROPRIATION</b> .....	\$	<u>281,296,000</u>
Appropriated from:		
Federal revenues:		
HHS-HCFA, title XIX .....		9,160,100
State general fund/general purpose .....	\$	272,135,900
<b>COMMUNITY RESIDENTIAL SERVICES SUPPORT FOR MENTALLY ILL ADULTS</b>		
Full-time equated classified positions.....	47.0	
Salaries and wages—47.0 FTE positions .....		\$ 1,851,800
Longevity and insurance.....		278,500
Retirement.....		365,100
Contractual services, supplies, and materials.....		27,500
Travel.....		33,200
<b>GROSS APPROPRIATION</b> .....	\$	<u>2,556,100</u>
Appropriated from:		
State general fund/general purpose .....	\$	2,556,100

COMMUNITY RESIDENTIAL SERVICES SUPPORT FOR  
MENTALLY ILL CHILDREN

Full-time equated classified positions.....	15.0	
Salaries and wages—15.0 FTE positions .....	\$	558,700
Longevity and insurance.....		82,500
Retirement.....		110,400
Contractual services, supplies, and materials.....		16,200
Travel.....		71,100
GROSS APPROPRIATION .....	\$	<u>838,900</u>
Appropriated from:		
State general fund/general purpose .....	\$	838,900

COMMUNITY RESIDENTIAL SERVICES SUPPORT FOR  
DEVELOPMENTALLY DISABLED

Full-time equated classified positions.....	440.0	
Salaries and wages—435.0 FTE positions .....	\$	15,963,200
Longevity and insurance.....		2,511,200
Retirement.....		3,139,700
Contractual services, supplies, and materials.....		697,300
Travel.....		723,400
Office of alternative residential services coordination and information — 5.0 FTE positions .....		<u>305,300</u>
GROSS APPROPRIATION .....	\$	<u>23,340,100</u>
Appropriated from:		
State general fund/general purpose .....	\$	23,340,100

WORKER'S COMPENSATION

Full-time equated classified positions.....	3.0	
Worker's compensation and staff—3.0 FTE positions .....	\$	<u>11,849,600</u>
GROSS APPROPRIATION .....	\$	<u>11,849,600</u>
Appropriated from:		
State general fund/general purpose .....	\$	11,849,600

INSTITUTIONAL SERVICES

Full-time equated classified positions.....	28.5	
Compensation of institution residents who are performing productive labor.....	\$	600,000
Psychiatric residency program .....		4,095,100
DED-OESE, ECIA-title I — 8.5 FTE positions.....		588,300
Purchase of medical services for state mental health facility residents .....		3,404,400
Improvement of lease/rental property at state mental health institutions .....		420,000
Travel.....		669,700
Equipment.....		2,474,900
Special maintenance.....		513,100
Longevity and insurance.....		40,995,900
Retirement.....		49,870,100
Food.....		9,221,400
Drugs.....		6,162,700
Fuel and utilities.....		10,777,300
Gifts and bequests.....		2,000,000
Jobs retraining fund.....		195,000
Severance pay.....		8,634,200
Special education program—20.0 FTE positions .....		1,121,800
CMH or state agency purchase of services.....		<u>1,000,000</u>
GROSS APPROPRIATION .....	\$	<u>142,743,900</u>
Appropriated from:		
Federal revenues:		
DED-OESE, educationally deprived children, state administration-title I .....		588,300
Special revenue funds:		

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Local-special education revenue.....	\$	1,796,800
Lease/rental revenue .....		1,085,000
CMH or state agency purchase of services.....		1,000,000
Private-gifts and bequests revenues .....		2,000,000
State general fund/general purpose .....	\$	136,273,800
<b>CARO REGIONAL MENTAL HEALTH CENTER-PSYCHIATRIC SERVICES UNIT</b>		
Average population .....		140.0
Full-time equated classified positions.....		220.0
Salaries and wages—220.0 FTE positions .....	\$	7,594,800
Contractual services, supplies, and materials.....		245,600
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>7,840,400</b>
Appropriated from:		
State general fund/general purpose .....	\$	7,840,400
<b>CLINTON VALLEY CENTER</b>		
Average population .....		410.0
Full-time equated classified positions.....		609.0
Salaries and wages—609.0 FTE positions .....	\$	22,147,800
Contractual services, supplies, and materials.....		1,697,500
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>23,845,300</b>
Appropriated from:		
State general fund/general purpose .....	\$	23,845,300
<b>COLDWATER MENTAL HEALTH CENTER</b>		
Average population .....		238.0
Full-time equated classified positions.....		405.0
Salaries and wages—405.0 FTE positions .....	\$	13,440,300
Contractual services, supplies, and materials.....		1,284,000
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>14,724,300</b>
Appropriated from:		
State general fund/general purpose .....	\$	14,724,300
<b>DETROIT PSYCHIATRIC INSTITUTE</b>		
Average population .....		150.0
Full-time equated classified positions.....		275.0
Salaries and wages—275.0 FTE positions .....	\$	10,114,000
Contractual services, supplies, and materials.....		991,000
Rent.....		515,900
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>11,620,900</b>
Appropriated from:		
State general fund/general purpose .....	\$	11,620,900
<b>KALAMAZOO REGIONAL PSYCHIATRIC HOSPITAL</b>		
Average population .....		390.0
Full-time equated classified positions.....		647.0
Salaries and wages—647.0 FTE positions .....	\$	22,537,000
Contractual services, supplies, and materials.....		1,600,300
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>24,137,300</b>
Appropriated from:		
State general fund/general purpose .....	\$	24,137,300
<b>NEWBERRY REGIONAL MENTAL HEALTH CENTER-PSYCHIATRIC SERVICES UNIT</b>		
Average population .....		60.0
Full-time equated classified positions.....		150.0
Salaries and wages—150.0 FTE positions .....	\$	5,313,700
Contractual services, supplies, and materials.....		450,000
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>5,763,700</b>

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Appropriated from:  
State general fund/general purpose .....\$ 5,763,700

**NORTHVILLE REGIONAL PSYCHIATRIC HOSPITAL**

Average population .....795.0  
Full-time equated classified positions.....1,249.0  
Salaries and wages—1,222.0 FTE positions .....\$ 43,489,800  
Contractual services, supplies, and materials..... 4,399,300  
Special project for the hearing impaired—27.0 FTE positions ..... 1,311,500  
GROSS APPROPRIATION .....\$ 49,200,600  
Appropriated from:  
State general fund/general purpose .....\$ 49,200,600

**REUTHER FACILITY-WAYNE COUNTY**

Average population .....313.0  
Full-time equated classified positions.....458.0  
Salaries and wages—458.0 FTE positions .....\$ 15,943,900  
Contractual services, supplies, and materials..... 1,725,500  
GROSS APPROPRIATION .....\$ 17,669,400  
Appropriated from:  
State general fund/general purpose .....\$ 17,669,400

**YPSILANTI REGIONAL PSYCHIATRIC HOSPITAL**

Full-time equated classified positions.....2.0  
Salaries and wages—2.0 FTE positions .....\$ 92,000  
Contractual services, supplies, and materials..... 10,200  
GROSS APPROPRIATION .....\$ 102,200  
Appropriated from:  
State general fund/general purpose .....\$ 102,200

**ARNELL ENGSTROM SCHOOL AT TRAVERSE CITY**

Full-time equated classified positions.....7.0  
Salaries and wages—7.0 FTE positions .....\$ 343,100  
Contractual services, supplies, and materials..... 26,000  
GROSS APPROPRIATION .....\$ 369,100  
Appropriated from:  
State general fund/general purpose .....\$ 369,100

**DETROIT PSYCHIATRIC INSTITUTE-CHILDRENS PROGRAM**

Average population .....12.0  
Full-time equated classified positions.....18.5  
Salaries and wages—18.5 FTE positions .....\$ 635,700  
GROSS APPROPRIATION .....\$ 635,700  
Appropriated from:  
State general fund/general purpose .....\$ 635,700

**FAIRLAWN CENTER AT CLINTON VALLEY CENTER**

Average population .....150.0  
Full-time equated classified positions.....349.0  
Salaries and wages—349.0 FTE positions .....\$ 12,849,100  
Contractual services, supplies, and materials..... 435,100  
GROSS APPROPRIATION .....\$ 13,284,200  
Appropriated from:  
State general fund/general purpose .....\$ 13,284,200

**HAWTHORN CENTER**

Average population .....118.0  
Full-time equated classified positions.....306.0

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Salaries and wages—280.0 FTE positions .....	9,946,000
Contractual services, supplies, and materials.....	684,600
Community-oriented staff—26.0 FTE positions .....	<u>1,473,600</u>
GROSS APPROPRIATION .....	12,104,200
Appropriated from:	
State general fund/general purpose .....	12,104,200
<b>PHEASANT RIDGE CHILDREN'S CENTER AT KALAMAZOO</b>	
Average population.....	55.0
Full-time equated classified positions.....	114.0
Salaries and wages—114.0 FTE positions .....	4,290,400
Contractual services, supplies, and materials.....	<u>215,900</u>
GROSS APPROPRIATION .....	4,506,300
Appropriated from:	
State general fund/general purpose .....	4,506,300
<b>STATE FACILITY REDUCTION FOR MENTALLY ILL ADULTS AND CHILDREN</b>	
Full-time equated classified positions.....	(171.0)
State facility bed reduction for mentally ill adults and children—(171.0) FTE positions .....	<u>(9,457,500)</u>
GROSS APPROPRIATION .....	(9,457,500)
Appropriated from:	
State general fund/general purpose .....	(9,457,500)
<b>CENTER FOR FORENSIC PSYCHIATRY</b>	
Average population.....	210.0
Full-time equated classified positions.....	468.0
Salaries and wages—468.0 FTE positions .....	17,342,700
Contractual services, supplies, and materials.....	<u>719,700</u>
GROSS APPROPRIATION .....	18,062,400
Appropriated from:	
State general fund/general purpose .....	18,062,400
<b>LAFAYETTE CLINIC</b>	
Average population.....	81.0
Full-time equated classified positions.....	276.0
Salaries and wages—262.0 FTE positions .....	9,875,200
Contractual services, supplies, and materials.....	823,000
Research at Lafayette Clinic, including equipment—14.0 FTE positions .....	1,181,800
Psychology training program.....	<u>125,100</u>
GROSS APPROPRIATION .....	12,005,100
Appropriated from:	
State general fund/general purpose .....	12,005,100
<b>CARO REGIONAL MENTAL HEALTH CENTER- DEVELOPMENTAL SERVICES UNIT</b>	
Average population.....	133.0
Full-time equated classified positions.....	305.0
Salaries and wages—330.0 FTE positions .....	10,542,400
Contractual services, supplies, and materials.....	606,100
Census reduction savings — (25.0) FTE positions.....	<u>(1,075,300)</u>
GROSS APPROPRIATION .....	10,073,200
Appropriated from:	
State general fund/general purpose .....	10,073,200
<b>JOSEPH M. SNYDER MACOMB-OAKLAND REGIONAL CENTER</b>	
Full-time equated classified positions.....	12.0



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Salaries and wages—12.0 FTE positions .....	\$ 382,600
Contractual services, supplies, and materials.....	140,000
GROSS APPROPRIATION .....	<u>522,600</u>
Appropriated from:	
State general fund/general purpose .....	\$ 522,600
 <b>MOUNT PLEASANT CENTER FOR DEVELOPMENTAL DISABILITIES</b>	
Average population .....	185.0
Full-time equated classified positions.....	379.0
Salaries and wages—396.0 FTE positions .....	\$ 12,485,100
Contractual services, supplies, and materials.....	1,131,900
Census reduction savings — (17.0) FTE positions.....	<u>(729,700)</u>
GROSS APPROPRIATION .....	<u>12,887,300</u>
Appropriated from:	
State general fund/general purpose .....	\$ 12,887,300
 <b>MUSKEGON REGIONAL CENTER FOR DEVELOPMENTAL DISABILITIES</b>	
Average population .....	68.0
Full-time equated classified positions.....	143.0
Salaries and wages—238.0 FTE positions .....	\$ 7,763,500
Contractual services, supplies, and materials.....	905,400
Census reduction savings — (95.0) FTE positions.....	<u>(4,142,900)</u>
GROSS APPROPRIATION .....	<u>4,526,000</u>
Appropriated from:	
State general fund/general purpose .....	\$ 4,526,000
 <b>NEWBERRY REGIONAL MENTAL HEALTH CENTER- DEVELOPMENTAL SERVICES</b>	
Average population .....	40.0
Full-time equated classified positions.....	89.0
Salaries and wages—89.0 FTE positions .....	\$ 2,918,800
Contractual services, supplies, and materials.....	<u>233,700</u>
GROSS APPROPRIATION .....	<u>3,152,500</u>
Appropriated from:	
State general fund/general purpose .....	\$ 3,152,500
 <b>OAKDALE REGIONAL CENTER FOR DEVELOPMENTAL DISABILITIES</b>	
Full-time equated classified positions.....	24.5
Salaries and wages—24.5 FTE positions .....	\$ 1,069,800
Contractual services, supplies, and materials.....	<u>530,000</u>
GROSS APPROPRIATION .....	<u>1,599,800</u>
Appropriated from:	
State general fund/general purpose .....	\$ 1,599,800
 <b>SOUTHGATE REGIONAL CENTER FOR DEVELOPMENTAL DISABILITIES</b>	
Average population .....	169.0
Full-time equated classified positions.....	297.0
Salaries and wages—292.0 FTE positions .....	\$ 9,083,500
Contractual services, supplies, and materials.....	1,087,200
Adult activity center—10.0 FTE positions.....	802,200
Census reduction savings — (5.0) FTE positions.....	<u>(204,100)</u>
GROSS APPROPRIATION .....	<u>10,768,800</u>
Appropriated from:	
State general fund/general purpose .....	\$ 10,768,800

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**WAYNE COMMUNITY LIVING SERVICES**

Full-time equated classified positions.....	238.0	
Salaries and wages—238.0 FTE positions .....	\$	8,009,700
Contractual services, supplies, and materials.....		340,000
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>8,349,700</b>
Appropriated from:		
State general fund/general purpose .....	\$	8,349,700

**SEC. 116 INPATIENT CARE AND ALTERNATIVE PROGRAMS**

Inpatient care and alternative program (pursuant to section 116 of Act No. 258 of the Public Acts of 1974, being section 330.1116 of the Michigan Compiled Laws).....	\$	(442,899,500)
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>(442,899,500)</b>
Appropriated from:		
State general fund/general purpose .....	\$	(442,899,500)

**REVENUE AND EXPENDITURE ADJUSTMENT**

<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>0</b>
Appropriated from:		
Interdepartmental grant revenues:		
IDG—department of corrections .....		1,100,000
Federal revenues:		
HHS-HCFA, title XIX .....		170,778,200
DAG-FNS, National school lunch program.....		651,600
Special revenue funds:		
1st/3rd party revenues .....		38,238,000
Miscellaneous revenue.....		200,000
Funds from sale of surplus property .....		5,000,000
Audit exception/cost settlement revenue .....		1,500,000
Local county match revenues.....		33,889,900
State general fund/general purpose .....	\$	(251,357,700)

**GENERAL SECTIONS**

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this bill is \$976,823,000.00 and state spending to units of local government is as follows:

**DEPARTMENT OF MENTAL HEALTH**

Community mental health programs.....	\$	359,589,400
Community mental health grant fund.....		5,500,000
Family support subsidies .....		11,093,800
Community support services for persons with developmental disabilities .....		1,000,000
Inpatient/residential care alternatives.....		9,457,500
Foster grandparents and senior companions.....		1,689,100
Prevention projects.....		2,595,100
Homelessness formula grant program .....		350,000
Mentally ill multicultural special needs program.....		3,009,500
Consumer involvement program.....		487,200
Mental health community services projects.....		777,000
Omnibus reconciliation act implementation.....		18,696,300
Supported employment.....		803,400
Section 116 - Mental health code.....		442,899,500
<b>Total .....</b>	<b>\$</b>	<b>857,947,800</b>

(2) When it appears to the director of the department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the director shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 203. The amounts appropriated for utilities and that portion of contractual services, supplies, and materials used to pay for utility service to state facilities in section 101 may be expended in a manner consistent with the provisions of section 253 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1253 of the Michigan Compiled Laws.

Sec. 204. As used in this act:

- (a) "ADAMHA" means the United States department of health and human services, alcohol, drug abuse, and mental health administration.
- (b) "ADP" means automated data processing.
- (c) "CMH" means community mental health.
- (d) "DAG-FNS" means the United States department of agriculture, food and nutrition services.
- (e) "DED-OESE" means the United States department of education, office of elementary and secondary education.
- (f) "DED-OESE (ECIA)" means the education consolidation and improvement act.
- (g) "Department" means the department of mental health.
- (h) "FTE" means full-time equated.
- (i) "HHS" means the United States department of health and human services.
- (j) "HHS-HCFA" means the health care financing administration.
- (k) "HHS-OASH" means the office of the assistant secretary for health.
- (l) "HHS-OHDS" means the office of human development services.
- (m) "ICF/MR" means intermediate care facility for the mentally retarded.
- (n) "IDG" means interdepartmental grant.
- (o) "IDT" means intradepartmental transfer.
- (p) "SSI" means supplemental security income.
- (q) "Title XIX" means title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396g, and 1396i to 1396s.
- (r) "Title XX" means title XX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397e.

Sec. 205. (1) On an annual basis, the department shall provide a report outlining the implementation of this act to the department of management and budget, chairpersons of the senate and house appropriations committees and the legislative auditor general. The report required by February 1, 1992 shall contain, but not be limited to:

- (a) The allocation of funds to each community mental health board by administration and general services and client group including program element detail, specifying program reductions or expansions, or both.
- (b) The acquisition of specific federal funds from the central fund for acquiring additional federal funds.
- (c) The revenue recapture project revenues and expenditure report.
- (d) Information regarding the amount and type of services provided by community mental health boards, specified by board, program element and disability, including but not limited to children, elderly and family support services.
- (e) The allocation of funds from residential services for basic care where clients are ineligible or unable to obtain social security insurance benefits and are incapable of self-support, for post-institutional care and to prevent admissions to state facilities.
- (f) Funds received from the state from community mental health boards as a result of audit exceptions, on a board-by-board basis.
- (g) The use of funds for plenary or partial guardianships.
- (h) The findings and recommendations of the advisory council for services to the deaf and hearing impaired.
- (i) Implementation of a plan for a centralized system of monitoring the release and placement of patients and residents from state institutions into community or other institutional settings, including returns to the patients' and residents' homes, and encompassing all aftercare and follow-up services.

(j) Progress on development of referral and placement planning for all persons less than 18 years of age who are residing in or have been referred for admission to skilled, basic, or pediatric nursing homes.

(k) Implementation of a policy that written plans for residential placement and aftercare services must precede expenditures of funds for residential services.

(l) Analysis of its working patient program. The report shall describe the existing program, including who participates and the benefits of the program, and present a plan for expanding the program to other facilities.

(m) Payments made in lieu of worker's compensation payments for wage/salary and related fringe benefits for employees who return to work under a limited duty assignment. The report shall include an identification of FTE position implications.

(2) The department shall provide a report on contractual services to the department of management and budget and to the chairpersons of the senate and house appropriations committees each month. The report shall be based on the monthly civil service statewide contracted services report required by section 281 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1281 of the Michigan Compiled Laws. The report shall provide the name of the contractor, the dollar value of the contract, description and location of the service to be provided, and justification for the contract.

(3) On or before January 31, 1992, and within 30 days before the end of each succeeding quarter, the department shall report to the department of management and budget, the senate and house appropriations subcommittees on mental health, and the senate and house fiscal agencies on the estimated and actual number of medicaid eligible clients served and the estimated and actual amount of title XIX revenues claimed for each program, activity, or facility under the jurisdiction of the department of mental health.

Sec. 206. Agencies contracting with county community mental health boards or the department of mental health shall provide 3 days' notice to the community mental health board or the department of mental health of all committee and full board meetings and shall conduct all portions of meetings pertaining to community mental health board or department funded programs in the same manner as required for meetings of public bodies under the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

Sec. 207. (1) Beginning October 1, 1991, there shall be a hiring freeze imposed on the state classified civil service. State departments and agencies shall be prohibited from hiring any new full-time state classified civil service employees or prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from one position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that such a hiring freeze will result in rendering a state department or agency unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exclusions to the hiring freeze approved during the previous month and the reasons to justify the exclusion.

## **EXECUTIVE OFFICE**

Sec. 301. Funds appropriated in section 101 from the central fund for acquiring additional federal grant funds and from the central fund for acquiring private funds shall not be expended until the grant money is actually authorized by the grantor. Funds accepted under this section shall not be authorized if the receipt of the funds mandates a commitment for state funding at a future date.

Sec. 302. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

(2) The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases which have been closed or are inactive. Revenues collected through project efforts are appropriated to the department for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions so that the need for retroactive collections will be reduced or eliminated.

Sec. 303. The department's ability to satisfy appropriation deductions in section 101 shall not be limited to collections and accruals pertaining to services provided in fiscal year 1991-92, but shall also include reimbursements, refunds, adjustments, and settlements from the prior 2 years.

Sec. 304. (1) With the approval of the senate and house appropriations subcommittees on mental health, the director of the department may establish a discretionary fund not to exceed 5% of the sum of the amounts of funds appropriated in section 101 for the operation and support of executive programs, community mental health, institutional operations, residential services, revenue and expenditure reduction adjustments, and community mental health medicaid revenues.

(2) The director of the department may allocate expenditure authorization amounts from the discretionary fund to departmental institutions, community mental health boards, or for family support subsidy payments. These funds may be used to achieve or maintain certification for federal title XIX benefits, to equalize and maximize staffing needs assessment project ratios, to expedite the transition of responsibility for services to community mental health boards, and to minimize the utilization of state inpatient services.

(3) The director of the department may also allocate revenue amounts from the discretionary fund for the revenue and expenditure adjustment section including HHS-HFCA, Title XIX, DAG-FNS, national school lunch program, first/third party revenues, miscellaneous revenues, and local county match revenues into another revenue account listed in this section, and into community mental health medicaid revenue accounts.

Sec. 305. Funds appropriated in section 101 for the mental health advisory council may be used for member per diems of \$50.00 and other council expenditures with approval of the council and the director of the department of mental health. Funds may also be used for the expenses of the state mental health advisory council on deafness.

Sec. 306. Unexpended and unencumbered amounts and accompanying expenditure authorizations remaining on September 30, 1992 from the amounts appropriated in section 101 for federal block grants in community mental health programs, gifts, and bequests in the institutional services program, special maintenance program, and the developmental disabilities programs shall carry forward for 1 fiscal year after which they will lapse. Unexpended and unencumbered amounts remaining on September 30, 1992 from the amounts appropriated in section 101 for staff to the council for developmental disabilities shall transfer to and be carried forward in the developmental disabilities projects grants at accounting line 110-39-2422.

Sec. 307. Funds appropriated in section 101 may be used for provision of plenary or partial guardianships of the person by way of contract with 1 or more nonprofit agencies. Expenditures and allocations may be authorized for community mental health boards, state facilities, or both, for the purposes described in this section.

Sec. 309. Revenues appropriated in section 101 as audit exception/cost settlement revenues are revenues recovered by all methods from department contract audit settlements and contract cost settlements of prior fiscal years.

Sec. 310. The department of mental health shall provide quarterly reports concerning the department's revenue and expenditure status to the senate and house appropriations subcommittees on mental health, the senate fiscal agency, the house fiscal agency, and the department of management and budget. These reports shall be prepared using the expenditure and revenue structure contained in House Bill No. 4582 (S-1) R-1 of 1991 with the intention that this structure be considered by the legislature for the fiscal year 1992-93 appropriations bill for the department of mental health.

Sec. 311. Federal grants awarded to the department for a period which extends beyond the end of the fiscal year shall be carried forward to the following fiscal year to the extent they are unexpended. Unexpended and unencumbered amounts and accompanying expenditure authorizations remaining on September 30, 1991 and September 30, 1992 from federal grants awarded to the department for periods which extend beyond the end of the fiscal year shall carry forward into the following fiscal year.

Sec. 312. The specific amounts indicated in section 101 of this act as restricted revenue for financing appropriations from first and third parties, HCFA Title XIX, and county revenues are estimates of the proportion of the total amounts expected to be collected, and the department may satisfy any individual restricted revenue deduct amount from the total revenues of all of those revenue sources. A report will be provided to the legislative fiscal agencies and department of management and budget on actual collections by revenue source for each appropriation unit. Preliminary estimates shall be provided by December 1, 1992. A final report shall be provided by March 1, 1993.

Sec. 313. The \$720,000.00 appropriated in section 101 for transition of prisoner mental health care is to assist in preparation for assumption of responsibilities for prisoner mental health in accordance with plans submitted to the U.S. District Court-Western District. The department is authorized to receive and expend funds from the

department of corrections in addition to the appropriation in section 101 as necessary to provide for the orderly transition and assumption of the responsibilities for prisoner mental health.

## **SPECIAL PROJECTS**

Sec. 401. (1) Funds appropriated in section 101 for protection and advocacy services for developmentally disabled persons shall be used as specified in section 931 of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1931 of the Michigan Compiled Laws. The department shall provide a reasonable amount of office space within state institutional facilities without charge for protection and advocacy services for people who are developmentally disabled or mentally ill.

(2) Of the funds appropriated in section 101 for mentally ill protection and advocacy:

(a) \$347,900.00 shall be used for protection and advocacy services related to mental health services.

(b) \$50,200.00 shall be used for other protection and advocacy services.

(3) Of the funds appropriated in section 101 for developmentally disabled protection and advocacy:

(a) \$452,100.00 shall be used for protection and advocacy services related to mental health services.

(b) \$980,900.00 shall be used for other protection and advocacy services.

Sec. 402. Funds appropriated in section 101 for the consumer involvement program may include mileage and telephone expenses incurred when assisting the department and the legislature, and shall be utilized in part to replicate the concept of "project stay" and other successful services projects operated by consumers.

Sec. 403. Funds appropriated in section 101 for the foster grandparent and senior companion program contract with the office of services to the aging shall be used to maintain and expand foster grandparents' and senior companions' services for developmentally disabled persons in state facilities and community residential settings. Funds shall also be used to provide senior companion services for developmentally disabled persons and the elderly chronically mentally ill.

Sec. 404. Funds appropriated in section 101 for pilot projects in prevention for mentally ill adults and mentally ill children shall include \$100,000.00 for projects to provide mental health services in communities where persons suffering from economic stress are anticipated.

Sec. 405. Funds appropriated to the department of mental health for the fiscal year ending September 30, 1992 for mental health staff training include up to \$75,000.00 to provide training or education funds, or both, to enable resident care aides to qualify for licensed practical nurse or other civil service classifications as required by provisions of the American federation of state, county, and municipal employees contract.

Sec. 406. Funds appropriated in section 101 for special projects for Alzheimer's and related disorders training and referral projects may include training for nursing home personnel, home health care providers, nurses, nurse aides, and family caregivers in the nature and progression of the disease, with the goal of reducing stress, teaching behavior management techniques, and making referrals for appropriate services. Funds may also be used to establish adult day care, respite care, and crisis intervention pilot projects pursuant to sections 950 to 953 of the mental health code, Act No. 258 of the Public Acts of 1974, being sections 330.1950 to 330.1953 of the Michigan Compiled Laws.

Sec. 407. The Michigan protection and advocacy service, inc. shall file for attorney's fees in applicable cases from litigants. Any awards made for this purpose shall be deposited in a special fund account and allocated for services to the developmentally disabled or mentally ill upon recommendation of the director and approval of the senate and house appropriations committees.

Sec. 408. The funds appropriated for mental health community services under special projects shall be used first to fund a pilot treatment program for emotionally disturbed sex abusers and shall provide continuation funding up to \$100,000.00 for the statewide networking, planning, assessment, and information sharing project for emotionally disturbed adolescent sex abusers based upon an evaluation of the fiscal year 1990-91 program and the approval of the director.

Sec. 409. The funds appropriated for the mental health initiatives for older persons in the special projects appropriation unit are to be allocated with the participation of the office of services to the aging and the network of area agencies on aging. In coordinating departmental projects with the office of services to the aging for care management projects, the department is authorized to pass through funds to the office of services to the aging for augmentation of these care management projects when they are focused on supporting elderly

individuals with mental illness or Alzheimer's or related types of mental functioning problems subject to the joint approval of the directors of the department and the office of services to the aging.

Sec. 410. Unexpended and unencumbered amounts and accompanying expenditure authorizations remaining on September 30, 1991 from the amounts appropriated in section 101 for the homelessness formula grant program shall carry forward until the project is completed.

Sec. 411. (1) The funds appropriated in section 101 for the developmental disabilities dental program are intended for the following purposes:

(a) To establish and administer a treatment fund of \$530,000.00 to underwrite the costs of dental care for developmentally disabled individuals who have no ability to pay and for which medicaid coverage or other payment or reimbursement mechanisms are not available.

(b) To fund up to \$50,000.00 to provide education, consultation, and technical assistance to dental care students and community practicing professionals to enhance the access of developmentally disabled individuals to generic, community based dental care.

(c) To fund up to \$530,100.00 for a prevention and screening program.

(2) Funds may also be used to enable an orderly transition from operating the current program to implementing the purposes described in subsection (1).

### **COMMUNITY MENTAL HEALTH**

Sec. 501. (1) Funds allocated in section 101 for community mental health include the continuation of transportation services, funded 100% with state funds and include Title XX transitional grants.

(2) In addition to the funds appropriated in section 101 for community mental health services, there is appropriated all funds received by the CMH boards in additional federal clinic services program funding sources. It is intended that the community mental health boards maximize federal funding sources. CMH boards shall retain, contingent upon actual earnings, the amount of increased federal funds above the amounts authorized in the billable services fiscal year ending September 30, 1991 contracts. State funding provided in each CMH board's contract shall not be altered as a result of implementation of this section.

(3) If anticipated title XIX federal revenue for CMH services is not sufficient to fund CMH programs, the department shall request either a discretionary or legislative transfer of funds up to the amount of the deficiency or request a supplemental appropriation of funds up to the amount of the deficiency for the purpose of maintaining these CMH services.

Sec. 502. (1) The department shall ensure that county CMH boards which have been designated as having full management authority and responsibility and state facilities enter into contracts which establish the county CMH board as the single point of entry and exit for residents of the board's service area. Each contract between a full management board and a state facility shall specify, at a minimum, the board's authority and responsibility for all of the following:

(a) Evaluating the appropriateness of an individual for admission and the preparation of an alternative treatment report.

(b) Serving as the single point of entry to a state facility for residents of the board's service area.

(c) The participation of the board's designees in providing treatment.

(d) The discharge of residents from the board's service area at the time and in the manner determined by the board.

(2) The department shall contract with community mental health boards for the purpose of coordinating community mental health board services with state inpatient psychiatric care. The contract provisions shall include, but are not limited to, all of the following:

(a) Screening of admissions.

(b) Criteria for admission.

(c) Development of a plan for service.

(d) Coordination of services during inpatient care.

(e) Discharge planning.

(f) Aftercare services.

(g) Prevention.

(h) Provision of MI adult activity therapy services.

Sec. 503. (1) The funds appropriated in section 101 for contract community mental health boards are for the purchase of state facility inpatient services or for approved community-based programs which reduce utilization of state provided inpatient services below this appropriated level. These funds shall be allocated to contract community mental health boards based on estimates approved by the department as part of the negotiated contract.

(2) Funds which are allocated to these contract community mental health boards, when used to purchase state facility inpatient services, shall be provided to state facilities based on the per diem and billing arrangements approved by the department in the negotiated contract.

(3) The department shall have administrative authority to transfer funds that are allocated for state inpatient care, but not expended due to the utilization of state inpatient services below planned levels. Transferred funds shall be placed in a shared management fund account. The department may distribute money in the shared management fund account to eligible community mental health boards with shared management contracts with the department for departmentally approved community-based programs if the actual utilization of state inpatient services is lower than the planned utilization as defined by contract provisions. The shared management fund account balance shall carry forward at the end of the fiscal year.

Sec. 504. (1) From funds appropriated in section 101, final allocations to community mental health boards shall be made upon the execution of a contract between the department and each community mental health board. The contract shall contain an approved plan and budget as well as the policies and procedures governing the obligations and responsibilities of both parties to the contract.

(2) The department may make preliminary allotments to individual community mental health boards which have indicated in writing to the director of the department their intent to negotiate a contract for the fiscal year ending September 30, 1992.

(3) The director shall provide a community mental health board with an opportunity for a hearing if the individual community mental health board and the department fail to negotiate and execute a contract by March 1 of the fiscal year ending September 30, 1992.

(4) The funds appropriated in this act for community mental health programs shall not be used to replace funds no longer available because the local government or community mental health board reduced its base of support for state and local mental health services, as defined in chapter 2 of the mental health code, Act No. 258 of the Public Acts of 1974, being sections 330.1200 to 330.1246 of the Michigan Compiled Laws, below that of the previous year.

(5) If a specific community mental health board cannot utilize its state allotment, the director of the department may adjust the allotment and transfer those funds to other community mental health boards which have demonstrated a need for additional fiscal resources.

Sec. 505. (1) The funds appropriated in section 101 for inpatient care and alternative programs shall be allocated to community mental health boards under a formal contract with the department. The spending plans, authorizations, and allocations for each community mental health board shall be determined by the department central office staff, in cooperation with community mental health boards.

(2) If a community mental health board has not indicated the willingness or capacity to accept the shift of responsibility as provided in subsection (1), the community mental health board may enter into a contract with the department which provides that clients of the community mental health board in a state facility shall continue to be served by the department, which shall retain full allocation authority on behalf of the community mental health board for state facility services.

(3) Within the provisions of this section, the department may enter into a formal contract with a community mental health board for shared management of the provision of state facility services to a client who is a resident of the county served by the community mental health board.

(4) Current billing and collection procedures for the net cost of state provided services shall continue as specified in chapter 3 of the mental health code, Act No. 258 of the Public Acts of 1974, being sections 330.1300 to 330.1320 of the Michigan Compiled Laws.

(5) With the exception of funds allocated to community mental health boards, the department shall have administrative authority to transfer funds from the appropriation authorized in section 101 to satisfy but not exceed state facility deduct amounts.

(6) The department may access funds from this appropriation directly for patients who have no county affiliation or for whom county charges are exempted.

(7) The shift of funds to the counties shall not result in increased costs to counties in excess of the local match required under section 302 of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1302 of the Michigan Compiled Laws.



Sec. 506. Funds appropriated in section 101 for federal block grants shall provide continuation funding for community mental health board programs and do not assume any reductions in federal funding. If reductions in the department of mental health allotment of federal ADAMHA block grant funds occur, it is the intent of the legislature that the amount of the reduction be implemented through a pro rata reduction applied to all community mental health board contracts and departmental operations in the amount of the block grant reduction.

Sec. 507. Subject to guidelines issued by the department, funds appropriated in section 101 for community mental health operations for developmentally disabled family support services may be used for family friend respite care services in which the community mental health board provides respite care funds directly to the family for their purchase of respite care services from individuals other than family members.

Sec. 508. The department of mental health shall develop a coordinated approach to recruitment of qualified mental health professionals to serve within the county community mental health system. Objectives of the project shall include all of the following:

(a) Provision of information to state colleges and universities on public mental health services for inclusion in curriculum development, development of field placement and practicum experiences, and recruitment of new graduates into the CMH system.

(b) Development of a centralized listing of professional staff vacancies which exist within the system and a coordinated approach to recruit professional staff to fill those vacancies.

Sec. 509. The department shall establish a process for the design and implementation of mechanisms and arrangements to assure the long-term viability of a single entry and single exit locally controlled comprehensive CMH system. The department shall ensure the involvement of representatives from the CMH system, the legislature, and the executive department in this process. The department, in collaboration with representatives of the CMH system, shall propose to the legislature and the governor changes in the law, administrative rules, accounting and budgeting mechanisms, and appropriations which appear to be necessary and desirable in achieving the goal of a stable, viable, and comprehensive CMH system vested with authority and responsibility for managing and providing a full array of public mental health services.

Sec. 510. CMH boards may, consistent with generally accepted accounting principles, establish accounts payable to finance known costs such as anticipated court judgments and settlements, audit exceptions, and other one-time costs.

Sec. 511. (1) The department shall prepare a report of the per capita expenditures of each CMH board for services to both of the following groups:

(a) Mentally ill adults and children.

(b) Developmentally disabled adults and children.

(2) The report shall review such expenditures for the 1986, 1987, 1988, 1989, 1990, 1991, and 1992 fiscal years, and include recommendations for equalizing the distribution of funds appropriated to CMH boards for CMH services.

(3) The report shall be provided to the department of management and budget and to the house and senate subcommittees on mental health prior to April 1, 1992.

Sec. 512. Funds appropriated in section 101 for community mental health programs may be used to provide technical assistance, training, and support aimed at development of a comprehensive range of community-based services for the seriously mentally ill. These funds shall promote availability of and access to a comprehensive range of alternative services provided in integrated community settings which enable the client to function in those settings as independently as possible. The range of alternative community services would be available based on the changing needs and treatment goals of the client and would include services such as assertive community treatment programs, supported independence programs, crisis housing services, and work opportunities for persons with serious mental illness. The program shall do all of the following:

(a) Identify the elements of a continuum of community-based services for the seriously mentally ill which are alternatives to state psychiatric hospital programs and assess the presence of these elements across the state, and promote model alternative community treatment systems.

(b) Reduce length of stay at state psychiatric hospitals through increased use of alternative and combined orders and expansion of private psychiatric hospital contracts. The program shall train community mental health state facility liaison staff in the full use of combined and alternative treatment orders and in developing successful and functional liaison arrangement with courts, state facilities, and local law enforcement entities.

(c) Provide technical assistance to county community mental health boards in expanding community-based services for the seriously mentally ill through redirected funding and exploration of alternative sources of revenue.

(d) Promote networking among community mental health boards to enhance service delivery, provide information and training to community mental health staff on services to the seriously mentally ill, develop an organized means of sharing of information among service providers regarding model programs, and improve community understanding of mental illness and availability of appropriated services. The department shall report by March 31, 1992 to the house and senate appropriations committees and to the department of management and budget on progress in implementing this section.

Sec. 513. (1) Funds appropriated in section 101 for community mental health services may be reserved and carried forward into the subsequent fiscal year by county community mental health boards as part of a planned strategy to assist in dealing with base reductions and unfunded economic increases.

(2) Funding reserved for base program reductions and unfunded economic increases shall be limited to the difference between the cost of continuing existing community mental health services in the subsequent fiscal year and the level of funding available, and shall be reserved as part of a plan submitted and approved by the department by the end of the third quarter.

(3) Conditions under which funding may be reserved include all of the following:

(a) The plan shall not alter or amend provisions of the contract between the department and county community mental health boards regarding protection of categorical funding.

(b) An expenditure made from a reserve account does not change a board's base allocation or create a full year cost obligation for the department.

(c) County community mental health boards shall report on the amount and source of the carry forward and the amount and purpose of expenditures from reserve accounts to the department.

(d) Funding carried forward and not used for the stated purpose shall lapse to the state general fund.

(4) Utilization of this capacity shall be assessed and reported to the house and senate appropriations committees and the department of management and budget by July 1, 1992.

Sec. 514. The department may advance to each community mental health service board an amount not to exceed 1/4 of their estimated total collections from medicaid and may establish a separate accounts receivable for the total of these amounts.

Sec. 515. The amount appropriated in section 101 for community mental health services is intended for funding of community mental health service boards in accordance with contracts between the department and the boards for the current fiscal year. The department shall establish such total payable and receivable amounts as may be appropriate to represent the expected final state obligation for all such contracts. After final review of the expenditure reports required by the contracts, any amounts advanced to the board which are returned to the department and any amounts paid to the boards in accordance with the provisions of the contracts shall be considered to be adjustments to the program expenditures for prior fiscal years. These prior year transactions shall be recorded in a separate account established for that purpose. Community mental health programs prior year revenue recognized in the current fiscal year may be restricted to finance related prior year expenditures not previously recorded. The provisions of this section may be used by the department with community mental health boards for fiscal year 1990-91 settlements.

Sec. 516. Of the funds appropriated in section 101 for community mental health operations, \$50,000.00 shall be used for a pilot project to provide a youth at-risk diversion program in the city of Saginaw.

Sec. 517. Of the funds appropriated in section 101 for community mental health programs, funds shall be used to provide a 2-1/2% economic increase for community mental health boards. These funds shall not be used or redirected for any other purposes.

## **COMMUNITY RESIDENTIAL SERVICES**

Sec. 601. Funds appropriated in section 101 for residential services support staff may be used to provide resource assistance for community placement and home development activities, through allocation to or by contract with county community mental health boards, or through state facilities, or other placement entities established by the department.

Sec. 602. The funds appropriated in section 101 for community residential services programs may be used for basic care in cases where individuals are not eligible to receive social security benefits and are not otherwise capable of supporting themselves out of their own resources. Funds may be used for purposes of aftercare or to prevent admissions to state facilities through residential and support services. Expenditures and allocations may be authorized for community mental health board or state facilities, or both.

Sec. 603. (1) The department shall develop uniform standards and policies regarding the financing and procurement of furnishings and equipment for residential programs. Any furnishings and equipment purchased with state funds shall be inventoried as state property. If the full amount of the funds advanced for purchase of the furnishings and equipment are not used for that purpose, the excess funds shall be returned to the department.

(2) Funds appropriated in section 101 shall be used to provide alternative residential services, coordination, and information for management oversight of home development and residential services activities conducted by the department and by community mental health boards. The department shall oversee the development and implementation of policies and procedures to be used by the department and community mental health boards as part of the process of development of community based specialized residential facilities.

(3) The department shall monitor group home lease agreements to ensure that state payment is reasonable. It is the intent of the legislature that after October 1, 1989, the rate of return to an investor (lessor) shall not exceed 9% of cash equity based on a fair market appraisal for community living facility (CLF), existing structure, new/never before negotiated state leases. In no event shall the amount of return exceed \$3,000.00 per year, exclusive of operating and maintenance expenses. Structural, warranties, and mechanical items shall be the responsibility of the lessor. The alternative intermediate services (AIS) program will continue to operate under current guidelines.

(4) Funds appropriated in section 101 for residential services shall not be used for a new placement unless the department has obtained, before the placement, a written plan for residential placement and aftercare services which is sufficient to meet the needs of the individual. The development of a plan shall involve the department of social services, appropriate state mental health institutional staff, and appropriate community mental health boards' staff in prerelease planning and approval of the plan.

(5) Placement of a developmentally disabled person from a state center for the developmentally disabled shall not occur unless the care to be received in the community setting will be at least as good as the care being received in the institution. The need of an individual for close supervision for medical reasons and for readily available medical backup 24 hours per day shall be considered in determining the quality of care. In the case of an individual with close family relationships, the placement shall not diminish family access to the individual.

(6) Funds appropriated in section 101 for the executive program shall be used for the development of a centralized system for monitoring the release and the placement of patients and residents from state institutions into community or other institutional settings, including returns to the patients' or residents' homes, and monitoring the provision of all aftercare and follow-up services by an agency providing those services in accordance with standards of the department for a period of not less than 1 year.

(7) The funds appropriated in section 101 for residential services programs may be used to maintain and improve residential and support services, aftercare programs, and residential and support services designed to prevent admissions to state facilities. Expenditures and allocations may be authorized for CMH boards, state facilities, or both, for the purposes described in this section.

Sec. 604. Funds appropriated in section 101 for private nursing homes and alternative services programs for the mentally retarded support services may be used to finance case management services, ancillary medical services, equipment not covered by medicaid, vacant bed penalty payments, conversion costs, and departmental administrative staff not to exceed 5 FTE positions.

Sec. 606. Funds appropriated in section 101 for residential services may be used to make payments to the state housing development authority for in-home support services assumed by the state housing development authority through agreement with the department.

Sec. 607. (1) The department shall maintain in cooperation with the department of social services and the department of public health a mechanism to refer all persons less than 18 years of age who meet the criteria in section 500(h) of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1500 of the Michigan Compiled Laws, and who are residing in or have been referred for admission to skilled, basic, or pediatric nursing homes.

(2) Upon determination of appropriateness for services, the department shall provide client services management and develop alternative residential services as appropriate. Funds allocated in section 101 for residential services and residential services support may be utilized for this purpose.

Sec. 608. The department of mental health shall pay the same rate for all department contracted child caring institutions and child placing agencies as established by the department of social services, office of children and youth services. If community residential services funding is insufficient for this purpose, then the department of management and budget in conjunction with the department of mental health shall report this information to the senate and house appropriations subcommittees on mental health along with recommendations for complying with this section.

Sec. 609. Of the funds appropriated in section 101 for community residential services, funds shall be used to provide a 2-1/2% economic increase for community residential service providers. These funds shall not be used or redirected for any other purposes.

Sec. 610. (1) The department of mental health shall pilot a contract model which combines the individual home budgets of each type B specialized residential service provider participating in the pilot. This contract model is intended to provide more flexibility to providers but still allow for appropriate fiscal and programmatic oversight by the department.

(2) It shall be the objectives of the pilot to determine the benefits to the provider and the state of the new contract models; the effect of the contract model on home operations; the efficiencies and incentives resulting from the new contract model and the effect of the model on group home residents.

(3) The contract model shall be piloted with at least 3 providers for a period of not more than 2 years and beginning October 1, 1991. It is further intended that, subject to the results of an evaluation carried out by the department, the new contract model shall be implemented statewide.

## **INSTITUTIONAL SERVICES AND FACILITIES**

Sec. 701. The shift of funds to any county for inpatient care and alternative programs pursuant to section 116 of the mental health code, Act No. 258 of the Public Acts of 1974, being section 330.1116 of the Michigan Compiled Laws, shall not alter the relationship existing on the effective date of this act between Hawthorn center and services provided to residents of this state. The director of the department shall notify the legislature of any violations of this section.

Sec. 702. (1) The department may charge rent to state or other tenants occupying space in any of its facilities. The rental rates and all leasing arrangements shall be subject to the approval of the department of management and budget and the state administrative board. Revenues received under this section shall be available for expenditure by the department for maintenance, renovation, administrative expense associated with the leased space and for other departmental expenditures. Unexpended and unencumbered amounts remaining on September 30, 1992 from the amounts appropriated in section 101 for the lease/rental program shall carry forward for 1 fiscal year after which time they shall lapse.

(2) In order to assist with the implementation of sections 400, 468, 469, 472, 477, 482, 483, 484, and 485a of the mental health code, Act No. 258 of the Public Acts of 1974, being sections 330.1400, 330.1468, 330.1469, 330.1472, 330.1477, 330.1482, 330.1483, 330.1484, and 330.1485a of the Michigan Compiled Laws, and to assure that county community mental health boards are able to provide the proper liaison and client services management assistance to county residents of state facilities, the department shall ensure that adequate office space is made available on the grounds of state facilities at no cost to counties whose residents are cared for at those facilities.

Sec. 703. Funds appropriated in section 101 for facilities for the mentally ill and developmentally disabled are intended to maintain direct care staffing levels phased toward staffing needs assessment project standards, for facilities for mentally ill adults, developmentally disabled persons, and mentally ill children.

Sec. 704. The operation of the power plant at the Kalamazoo state hospital shall be financed from charges to the appropriations to the Kalamazoo state hospital and western Michigan university, which charges shall be based upon the cost of the power plant and upon the usage of heat and electrical power by the hospital and the university.

Sec. 705. Funds appropriated in section 101 for state facility operating maintenance projects which have been approved by the department of management and budget shall carry forward for 1 fiscal year to enable completion.

Sec. 707. In addition to the amounts appropriated in section 101, revenues from the sale of sheltered workshop services and products are appropriated to be expended for supplies, equipment, and other costs associated with the maintenance of the sheltered workshop program, excluding costs of compensating state classified employees. The unspent balance on the last day of the fiscal year ending September 30, 1992 shall be carried forward into the subsequent fiscal year.

Sec. 708. Funds appropriated in section 101 for gifts and bequests include patient trust fund revenues and pay telephone revenues to be allocated for patient living unit furnishings, recreational, and vocational materials and supplies.

Sec. 709. (1) In addition to the amounts appropriated in section 101, revenues received during fiscal year 1991-92 from the sale of land, supplies, equipment, or other property under the jurisdiction of the department of mental health during fiscal year 1991-92 or during any fiscal year before fiscal year 1991-92 to a nonstate agency or department are appropriated to be expended to enhance and expand community based services. The unspent balance on the last day of the fiscal year ending September 30, 1992 shall be carried forward into the subsequent fiscal years.

(2) All land, supplies, equipment, or other property under the jurisdiction of the department of mental health that is not needed for present or future use by the department of mental health and that is not sold or transferred during fiscal year 1991-92 to another state agency or department for its use shall be sold at not less than fair market value.

Sec. 711. (1) The department shall not implement any further closures or consolidations of state inpatient facilities for the mentally ill and developmentally disabled until sufficient time has elapsed to allow for community mental health boards to have programs and services in place for those persons currently in those facilities and those persons who would have gone to those facilities in the near future.

(2) All closures or consolidations of state inpatient facilities for the mentally ill and developmentally disabled are dependent upon adequate and approved community mental health board plans for alternative programs and actual services available for those persons currently in those facilities and those persons who would have otherwise been admitted to those facilities.

(3) The department shall submit a report to the house and senate appropriations subcommittees on mental health and the department of management and budget by February 28, 1992. The report shall contain plans made by each community mental health board that would be affected by any closures or consolidations of state inpatient facilities proposed by the department for the next 18 months. The report shall also contain a 18-month plan proposed by the department for closures or consolidations of state inpatient facilities.

(4) Upon the closure of state run operations for persons with developmental disabilities or a regional psychiatric hospital and after transitional costs have been paid, the remaining balance of funds appropriated for that operation or hospital shall be transferred to community mental health boards responsible for providing services for persons previously served by the operations or hospital.

## **WORKER'S COMPENSATION**

Sec. 801. From funds appropriated for worker's compensation, the department of mental health may make payments in lieu of worker's compensation payments for wage/salary and related fringe benefits for employees who return to work under limited duty assignments. Employees returning to work under limited duty assignments and who are funded under this subsection will be in addition to the facility's existing staffing authorization.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved .....

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Governor.