

SUBSTITUTE FOR
SENATE BILL NO. 321

A bill to amend 1974 PA 258, entitled
"Mental health code,"
(MCL 330.1001 to 330.2106) by adding section 204c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 204C. (1) THE BOARD OF A COMMUNITY MENTAL HEALTH SERVICES
2 AUTHORITY OR ORGANIZATION FORMED UNDER THIS CHAPTER IN FURTHERANCE
3 OF THE PUBLIC PURPOSE OF MEETING THE NEEDS OF THE POPULATION SERVED
4 BY SUCH AUTHORITY OR ORGANIZATION IN THIS STATE MAY, BY RESOLUTION,
5 AUTHORIZE THE FORMATION OF A NONPROFIT ENTITY TO PROVIDE
6 INFORMATION TECHNOLOGY AND OTHER INTEGRAL ADMINISTRATIVE SUPPORT
7 SERVICES FOR ORGANIZATIONS ENGAGED IN PROVIDING MENTAL HEALTH
8 SERVICES, BEHAVIORAL HEALTH SERVICES, SOCIAL SERVICES, SUBSTANCE
9 ABUSE SERVICES, HUMAN SERVICES, OR OTHER HEALTH CARE SERVICES.
10 (2) THE COMMUNITY MENTAL HEALTH SERVICES AUTHORITY OR

1 ORGANIZATION MAY ENTER INTO COMPETITIVE BID CONTRACTS WITH A
2 NONPROFIT ENTITY ESTABLISHED UNDER THIS SECTION FOR THE PURCHASE OF
3 THE SPECIFIED SERVICES. THE COMMUNITY MENTAL HEALTH SERVICES
4 AUTHORITY OR ORGANIZATION MAY PROVIDE FUNDING FOR A NONPROFIT
5 ENTITY ESTABLISHED UNDER THIS SECTION AS LONG AS ALL OF THE
6 FOLLOWING CONDITIONS ARE MET:

7 (A) NO FUNDS FROM STATE APPROPRIATIONS ALLOCATED TO THE
8 COMMUNITY MENTAL HEALTH SERVICES AUTHORITY OR ORGANIZATION OR ANY
9 FEDERAL FUNDS MAY BE USED FOR ANYTHING OTHER THAN THE CONTRACTED
10 SERVICES PROVIDED BY A NONPROFIT ENTITY ESTABLISHED UNDER THIS
11 SECTION.

12 (B) ANY REVENUE RECEIVED FROM A NONPROFIT ENTITY ESTABLISHED
13 UNDER THIS SECTION SHALL COMPORT WITH ALL APPLICABLE STATE AND
14 FEDERAL LAWS.

15 (C) ANY FUNDS RECEIVED BY THE COMMUNITY MENTAL HEALTH SERVICES
16 AUTHORITY OR ORGANIZATION FROM A NONPROFIT ENTITY ESTABLISHED UNDER
17 THIS SECTION ARE LOCAL FUNDS AND SHALL NOT BE USED TO SUPPORT OR
18 MATCH ANY FEDERAL PROGRAMS.

19 (3) THE COMMUNITY MENTAL HEALTH SERVICES AUTHORITY OR
20 ORGANIZATION MAY ELECT OR APPOINT MEMBERS OF THE GOVERNING BOARD OF
21 THE NONPROFIT ENTITY AS LONG AS NO BOARD MEMBER, OFFICER, OR
22 EMPLOYEE OF THE COMMUNITY MENTAL HEALTH AUTHORITY OR ORGANIZATION
23 SERVES ON THE GOVERNING BOARD OF OR IN A POLICY-MAKING POSITION
24 WITH A NONPROFIT ENTITY ESTABLISHED UNDER THIS SECTION.