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Senate Bill 321 (Substitute S-1 as reported by the Committee of the Whole)  
Sponsor: Senator Roger Kahn, M.D.  
Committee: Health Policy

### **CONTENT**

The bill would amend the Mental Health Code to allow a community mental health (CMH) services authority or organization formed under Chapter 2 (County Community Mental Health Programs), by resolution, to authorize the formation of a nonprofit entity to provide information technology and other integral administrative support services for organizations engaged in providing mental and behavioral health services, social services, substance abuse services, human services, or other health care services. The CMH services authority or organization could do so in furtherance of the public purpose of meeting the needs of the populations served by that authority or organization in Michigan.

The authority or organization could enter into competitive bid contracts with a nonprofit entity for the purchase of the specified services. The authority or organization could provide funding for a nonprofit entity under the bill, subject to all of the following conditions:

- No funds from State appropriations allocated to the authority or organization or any Federal funds could be used for anything other than the contracted services provided by the nonprofit entity.
- Any revenue received from the nonprofit entity would have to comport with all applicable State and Federal laws.
- Any funds that the authority or organization received from the nonprofit entity would be considered local funds and could not be used to support or match any Federal programs.

The authority or organization could elect or appoint members of the nonprofit entity's governing board as long as no board member, officer, or employee of the authority or organization served on the board of, or in a policy-making position with, the nonprofit entity.

Proposed MCL 330.1204c

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 5-12-09

Fiscal Analyst: Matthew Grabowski