

# Chapter 3



## MENTAL HEALTH CODE (EXCERPT)

### Act 258 of 1974

#### Chapter 3

#### STATE AND COUNTY FINANCIAL RESPONSIBILITY

<b>Section</b>	<b>Description</b>
Section 330.1302 -	Financial liability of county.
Section 330.1304 -	Meaning of "net cost" in MCL 330.1302.
Section 330.1306 -	Determining individual's county of residence; denial or delay of services prohibited.
Section 330.1307 -	Financial responsibility for services to individual; transfer from one county to another.
Section 330.1308 -	Financial liability of state.
Section 330.1309 -	Specialized residential service; payment of costs by state; conditions.
Section 330.1310 -	"Net cost" defined for purpose of MCL 330.1308.
Section 330.1311 -	Approval of budget for boards creating special fund account; county funding.
Section 330.1312 -	Method of county cost sharing.
Section 330.1313 -	Rental payments for property to be used as residential setting for specialized community residential care.
Section 330.1314 -	County's annual appropriation; method of making.
Section 330.1316 -	Expenditure of county's tax funds.
Section 330.1320 -	Allocation of available local funds.



**CHAPTER 3**  
**STATE AND COUNTY FINANCIAL RESPONSIBILITY**

**330.1300 Repealed. 1995, Act 290, Eff. Mar. 28, 1996.** *Compiler's Notes:* The repealed section pertained to definitions.

**330.1302 Financial liability of county.**

Sec. 302.(1) Except as otherwise provided in this chapter and in subsection (2), a county is financially liable for 10% of the net cost of any service that is provided by the department, directly or by contract, to a resident of that county.

(2) This section does not apply to the following:

- (a) Family support subsidies established under section 156.
- (b) A service provided to any of the following:
  - (i) An individual under a criminal sentence to a state prison.
  - (ii) A criminal defendant determined incompetent to stand trial under section 1032.
  - (iii) An individual acquitted of a criminal charge by reason of insanity, during the initial 60-day period of evaluation provided for in section 1050.

**History:** 1974, Act 258, Eff. Aug. 6, 1975 ;-- Am. 1983, Act 249, Imd. Eff. Dec. 15, 1983 ;-- Am. 1985, Act 77, Imd. Eff. July 5, 1985 ;-- Am. 1986, Act 265, Imd. Eff. Dec. 9, 1986 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996 ;-- Am. 1996, Act 588, Imd. Eff. Jan. 21, 1997

**330.1304 Meaning of "net cost" in MCL 330.1302.**

Sec. 304. For the purpose of section 302, net cost means: the operating cost of providing the service to the individual minus that part of operating cost paid for by federal and private funds and minus that amount received by the state as reimbursement from those persons and insurers who are financially liable for the cost of such service.

**History:** 1974, Act 258, Eff. Aug. 6, 1975

**330.1306 Determining individual's county of residence; denial or delay of services prohibited.**

Sec. 306.(1) For the purpose of section 302, an individual's county of residence is the county in which the individual maintained his or her primary place of residence at the time he or she entered 1 of the following:

- (a) A dependent living setting.
- (b) A boarding school.
- (c) A facility.

(2) A community mental health services program shall not deny or delay requested services to an individual for the reason that the individual's county of residence, as determined by this section, is in the service area of another community mental health services program.

**History:** 1974, Act 258, Eff. Aug. 6, 1975 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996

**330.1307 Financial responsibility for services to individual; transfer from one county to another.**

Sec. 307. Financial responsibility for services to an individual whose county of residence has been determined under section 306 may be transferred from 1 county to another if both community mental health services programs, the individual or his or her plenary guardian, if applicable, and the department agree to the transfer. If a transfer is made pursuant to this section, the department shall transfer from the original county of residence to the new county of residence 100% of the cost of the services agreed upon by both community mental health services programs. County matching funds are not required for services to an individual whose county of residence has been transferred under this section.

**History:** Add. 1993, Act 253, Imd. Eff. Nov. 29, 1993 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996

**330.1308 Financial liability of state.**

Sec. 308.(1) Except as otherwise provided in this chapter and subsections (2) and (3), and subject to the constraint of funds actually appropriated by the legislature for such purpose, the state shall pay 90% of the annual net cost of a community mental health services program that is established and administered in accordance with chapter 2.

(2) Beginning in the fiscal year after a community mental health services program becomes a community mental health authority under section 205, if the department increases the amount of state funds provided to community mental health services programs for the fiscal year, all of the following apply:

- (a) The amount of local match required of a community mental health authority for that fiscal year shall not exceed the amount of funds provided by the community mental health services program as local match in the year in which the program became a community mental health authority.

(b) Subject to the constraint of funds actually appropriated by the county or county board of commissioners, the amount of county match required of a county or counties that have created a community mental health authority shall not exceed the amount of funds provided by the county or counties as county match in fiscal year 1994-1995 or the year the authority is created, whichever is greater.

(c) If the local match provided by the community mental health services program is less than the level of local match provided in the year in which the community mental health services program became a community mental health authority, subdivision (a) does not apply.

(d) The state is not obligated to provide additional state funds because of the limitation on local funding levels provided for in subdivisions (a) and (b).

(3) The state shall pay the family support subsidies established under section 156.

(4) If 2 or more existing community mental health services programs merge pursuant to section 219, the state shall pay 100% of administrative costs approved by the department for the newly created community mental health services program for 3 years after the date of merger.

(5) If a county demonstrates an inability to meet its local match obligation due to financial hardship, the department may do either of the following:

(a) Accept a joint plan of correction from the county and its community mental health services program that ensures full payment over an extended period of time.

(b) Waive a portion of the county's obligation based on hardship criteria established by the department.

**History:** 1974, Act 258, Eff. Aug. 6, 1975 ;-- Am. 1983, Act 249, Imd. Eff. Dec. 15, 1983 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996

### **330.1309 Specialized residential service; payment of costs by state; conditions.**

Sec. 309. Except as otherwise provided in this chapter, and subject to the constraint of funds actually appropriated by the legislature, the state shall pay all of the costs of a specialized residential service that are eligible for state financial support and approved by the department and that are not otherwise paid for by federal funds, state funds, or reimbursements from persons and insurers who are financially liable for the cost of services, and that meet all of the following conditions:

(a) The service is established and administered under the authority of the board of the community mental health services program and in accordance with chapter 2.

(b) The service did not exist as part of the community mental health services program before March 31, 1981.

(c) The service is approved by the department and operated in conformance with departmental policies and guidelines governing specialized residential programs.

**History:** Add. 1980, Act 423, Eff. Mar. 31, 1981 ;-- Am. 1984, Act 107, Imd. Eff. May 24, 1984 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996

### **330.1310 "Net cost" defined for purpose of MCL 330.1308.**

Sec. 310. For the purpose of section 308, "net cost" means:

(a) For a community mental health services program expenditures eligible for state financial support and approved by the department that are not otherwise paid for by federal funds, state funds, or reimbursements from persons and insurers who are financially liable for the cost of services.

(b) Except as provided in subdivision (a), the total of all community mental health services program expenditures eligible for state financial support and approved by the department that are not otherwise paid for by federal funds or state funds.

**History:** 1974, Act 258, Eff. Aug. 6, 1975 ;-- Am. 1980, Act 423, Eff. Mar. 31, 1981 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996

### **330.1311 Approval of budget for boards creating special fund account; county funding.**

Sec. 311. For those county community mental health boards that choose to create a special fund account pursuant to section 226a, the department shall not approve a budget under section 232 unless county funding for community mental health programs is provided at a dollar level at least equal to that made available to the county community mental health board by the county board of commissioners in the fiscal year ending September 30, 1980.

**History:** Add. 1980, Act 423, Eff. Mar. 31, 1981

### **330.1312 Method of county cost sharing.**

Sec. 312. If a community mental health services program represents 2 or more counties, the amount of county funds necessary to support the program shall be paid by each county in proportion to its population, except that, with the consent of each county's board of commissioners, a different method of county cost sharing may be utilized.

**History:** 1974, Act 258, Eff. Aug. 6, 1975 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996

**330.1313 Rental payments for property to be used as residential setting for specialized community residential care.**

Sec. 313. The department shall establish a procedure to assure that rental payments for all property which is to be used as a residential setting for specialized community residential care, be based upon an independent appraisal of fair market rental value. In cases where the department or a community mental health board desires to enter into a lease or rental arrangement for a community residential facility at a rate above the independently appraised fair market rental value, an approval process involving the department of management and budget shall determine the contracted rental payment amount.

**History:** Add. 1980, Act 423, Eff. Mar. 31, 1981

**330.1314 County's annual appropriation; method of making.**

Sec. 314. In each county having a community mental health services program, the county's annual appropriation for the cost of services provided by the state and for the county's cost of supporting the community mental health services program shall be made as a single appropriation to the board of the community mental health services program. The county's annual single appropriation may be made by line item.

**History:** 1974, Act 258, Eff. Aug. 6, 1975 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996

**330.1316 Expenditure of county's tax funds.**

Sec. 316. The expenditure of a county's tax funds to pay for services provided by the state or to pay the county's cost of supporting a community mental health services program may be made from the county's general tax fund or from the proceeds of a special tax established for such purpose.

**History:** 1974, Act 258, Eff. Aug. 6, 1975 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996

**330.1318 Repealed. 1995, Act 290, Eff. Mar. 28, 1996. Compiler's Notes:** The repealed section pertained to transition of financial responsibility.

**330.1320 Allocation of available local funds.**

Sec. 320. Nothing in this chapter prevents a community mental health services program from allocating available local funds in excess of the required local match.

**History:** 1974, Act 258, Eff. Aug. 6, 1975 ;-- Am. 1995, Act 290, Eff. Mar. 28, 1996

