



## COUNTY ADMINISTRATOR

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TO: Felicia Brabec, Chair  
Washtenaw County Board of Commissioners

THROUGH: Verna J. McDaniel  
County Administrator

FROM: Trish Cortes, Executive Director  
Washtenaw County Community Mental Health

DATE: January 20, 2016

SUBJECT: Community Mental Health Partnership of Southeast Michigan  
Amended Bylaws

### **BOARD ACTION REQUESTED:**

It is requested that the Washtenaw County Board of Commissioners approve the adoption of the Community Mental Health Partnership of Southeast Michigan (CMHPSM) amended Bylaws.

### **BACKGROUND:**

Community Mental Health Service Programs (CMHSPs) in Lenawee, Livingston, Monroe and Washtenaw Counties were identified as Region Six by the Michigan Department of Health and Human Services (MDHHS), during the Pre-Paid Inpatient Health Plan (PIHP) re-organization that occurred effective January 1, 2014. The Region Six CMHSPs approved and filed bylaws formally creating the Community Mental Health Partnership of Southeast Michigan (CMHPSM) as the Regional Entity for Region Six.

### **DISCUSSION:**

Washtenaw Community Health Organization (WCHO) was removed as a partner from the CMHPSM on October 14, 2015 after relinquishing the WCHO's designation as the CMHSP for Washtenaw County on September 30, 2015. The County of Washtenaw has formed a community mental health agency known as Washtenaw County Community Mental Health (WCCMH). MDHHS has approved Washtenaw County Community Mental Health as the CMHSP for Washtenaw County effective October 1, 2015.

WCCMH has been assigned by the MDHHS to the Region Six PIHP as a new member of the CMHPSM. The CMHPSM Board has proposed amendments to the CMHPSM Bylaws reflecting the membership of Washtenaw County Community Mental Health in place of the WCHO, and other amended provisions.

**IMPACT ON HUMAN RESOURCES:**

There is no impact on Human Resources.

**IMPACT ON BUDGET:**

There is no impact on budget.

**IMPACT ON INDIRECT COSTS:**

There is no impact on indirect costs.

**IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:**

There is no impact.

**CONFORMITY TO COUNTY POLICIES:**

This request is in conformance with County policies.

**ATTACHMENTS/APPENDICES:**

- Amended CMHPSM Bylaws, with changes highlighted
- Amended CMHPSM Bylaws, final version for adoption
- Resolution

**RESOLUTION ADOPTING AMENDED BYLAWS FOR THE  
COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN**

**WASHTENAW COUNTY BOARD OF COMMISSIONERS**

**WHEREAS**, the Community Mental Health Service Programs (CMHSPs) in Lenawee, Livingston, Monroe and Washtenaw Counties were identified as Region Six by the Michigan Department of Health and Human Services, during the Pre-Paid Inpatient Health Plan (PIHP) re-organization that occurred effective January 1, 2014;

**WHEREAS**, the Region Six CMHSPs were authorized under MCL 330.1204b(1) to create a Regional Entity by the adoption of Bylaws for the Regional Entity;

**WHEREAS**, the Region Six CMHSPs approved and filed bylaws formally creating the Community Mental Health Partnership of Southeast Michigan (CMHPSM) as the Regional Entity for Region Six;

**WHEREAS**, the Washtenaw Community Health Organization (WCHO) was removed as a partner from the CMHPSM on October 14, 2015 after relinquishing the WCHO's designation as the CMHSP for Washtenaw County on September 30, 2015;

**WHEREAS**, the County of Washtenaw has formed a community mental health agency known as Washtenaw County Community Mental Health;

**WHEREAS**, the Michigan Department of Health and Human Services has approved Washtenaw County Community Mental Health, as the Community Mental Health Service Program for Washtenaw County effective October 1, 2015;

**WHEREAS**, Washtenaw County Community Mental Health has been assigned by the Michigan Department of Health and Human Services to the Region Six PIHP as a new member of the Community Mental Health Partnership of Southeast Michigan;

**WHEREAS**, the CMHPSM Board has proposed amendments to the CMHPSM Bylaws reflecting the membership of Washtenaw County Community Mental Health in place of the WCHO, and other amended provisions;

**WHEREAS**, the CMHPSM Bylaws state that the amendment of the Bylaws requires the unanimous vote of the Partners, in the form of duly adopted written Resolutions of their respective governing bodies;

**WHEREAS**, notice setting forth the terms of the proposed Amended Bylaws has been given in accordance with the notice requirements in the Bylaws;

**NOW THEREFORE BE IT RESOLVED**, that the Washtenaw County Board of Commissioners, on behalf of Washtenaw County Community Mental Health, hereby approves the adoption of the CMHSPSM Amended Bylaws as presented.

**BE IT FURTHER RESOLVED**, that the Chairperson of the County Board of Commissioners is hereby authorized and directed to execute and deliver the Amended Bylaws, and any and all instruments, certificates, agreements and other documents necessary to effectuate the Amended Bylaws; and

**BE IT FURTHER RESOLVED** that the effective date of the CMHPSM Amended Bylaws shall be the date upon which Amended Bylaws are filed with the Secretary of State (Office of the Great Seal) and with the County Clerk of each county in which the Region Six CMHSPs are located.

RESOLUTION DECLARED ADOPTED

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Washtenaw County Clerk

I hereby certify that the foregoing is a true and complete copy of the Resolution duly adopted by the Washtenaw County Board of Commissioners at a meeting held on \_\_\_\_\_, 2015, at which a quorum was present, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, 1976 P.A. 267, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

**AMENDED BYLAWS**

**COMMUNITY MENTAL HEALTH PARTNERSHIP  
OF SOUTHEAST MICHIGAN**

**ARTICLE I  
CREATION AND NAME**

**SECTION A. CREATION.** Pursuant to Section 330.1204b of Act 258 of the Public Acts of 1974 as amended (Mental Health Code), the Community Mental Health Authorities of Lenawee, Livingston, and Monroe Counties and the Community Mental Health ~~Organization~~ Agency of Washtenaw County (the Partners) hereby establish a regional entity to function as the Prepaid Inpatient Health Plan (PIHP) for the same four county region (designated as Region 6 by the ~~Michigan Department of Community Health or its successor the Michigan Department of Health and Human Services~~ (“MDCH/MDHHS”)).

**SECTION B. NAME.** The name of the regional entity shall be the Community Mental Health Partnership of Southeast Michigan (the “CMHPSM”).

**SECTION C. FORM OF ENTITY.** The CMHPSM is a public governmental entity separate from the counties, authorities, or organizations that establish it.

**ARTICLE II  
PURPOSE**

**SECTION A. PURPOSE.** The purpose of the CMHPSM is to: carry out the provisions of the Michigan Mental Health Code as they relate to serving as the PIHP of Region Six (6) as defined in 42 CFR 438.2 (“PIHP”); manage on a shared risk basis with the State of Michigan the Medicaid Specialty Support and Services Concurrent 1915(b)/(c) Waiver Programs (“Concurrent 1915 (b/c) Medicaid”), any 1915 (i) Waivers granted to the State of Michigan by the Centers for Medicare and Medicaid Services (CMS), any 1115 Demonstration Waivers granted to the State of Michigan by the Centers for Medicare and Medicaid Services, such as the Michigan ABW Non-Pregnant Childless Adult Waiver, if any, (Adult Benefits Waiver) Section 1115 Demonstration Program or Healthy Michigan Plan 1115 Demonstration Waivers (“ABW Demonstration Medicaid”), and under approval of SAMHSA and the State of Michigan, that the CMHPSM will operate a Substance Use Disorder (SUD) prevention and treatment programming funded under the SUD Community Grant; and ensure access to and the provision of a comprehensive array of Medicaid funded specialty behavioral health services for Medicaid recipients who are adults with a serious mental illness, children and youth with a serious emotional disturbance, individuals with an intellectual/developmental disability, and individuals with a substance use disorder who reside in Lenawee, Livingston, Monroe, or Washtenaw Counties in Michigan.- The CMHPSM’s specific functions include, but are not limited to:

1. Receiving and distributing Medicaid payments from the MDCH/MDHHS

or CMHPSM Medicaid savings related to services provided by the CMHPSM or the Partners as well as ~~Federal~~-Block Grant funding according to the terms of the Block Grant awards.

2. Acting as the regional coordinating agency entity for substance use disorder (“SUD”) treatment programs administered by the Partners and otherwise provided within the designated service areas of the CMHPSM.

### **ARTICLE III CMHPSM POWERS**

**SECTION A. GENERAL POWERS.** Except as otherwise provided in these Bylaws including without limitation Article IV, Section D, the CMHPSM possesses all the powers provided in MCL § 330.1204b(2), including but not limited to:

1. The power, privilege, or authority that the Partners share in common and may exercise separately under the Mental Health Code, as specified in these Bylaws;

2. The power to contract with the State to serve as the PIHP for the designated service areas of the Partners;

3. The power to accept funds, grants, gifts, or services from the federal government or a federal agency, from the state or a state department, agency, instrumentality, or from a political subdivision, or any other governmental unit, whether or not that governmental unit participates in the CMHPSM, and from a private or civic source;

4. The power to enter into a contract with a Partner for any service to be performed for, by, or from the Partner;

5. The power to create a risk pool and take other action as necessary to reduce the risk that the Partners would otherwise bear individually;

6. The power to calculate, assess, and collect from the Partners payments or withholdings attributable to their designated share of the CMHPSM’s costs and expenses; and

7. The power to contract with State, federal, local and/or commercial entities.

**SECTION B: CMHPSM ACTIONS.** The manner by which the CMHPSM’s purposes will be accomplished and powers will be exercised shall be through the actions of the Partners as provided in Article IV and through the actions of the Board as set forth in these Bylaws or as delegated by the Board to officers, committees or other agents.

**SECTION C. COMPLIANCE WITH LAWS.** The CMHPSM and its Partners, Board, officers and staff shall fully comply with all applicable laws, regulations and rules, including without limitation 1976 P.A. 267 (the “Open Meetings Act”) and 1976 P.A. 422 (the “Freedom of Information Act”). The CMHPSM shall develop compliance policies and procedures. In the event

that any noncompliance is found, immediate corrective action, as defined in the Operating Agreement, shall be taken by the appropriate source to ensure compliance.

#### **ARTICLE IV THE PARTNERS**

**SECTION A: PARTNERS.** The Partners shall be those Community Mental Health Service Programs (CMHSP's) who that have adopted these Bylaws entered into an Operating Agreement.

**SECTION B. STATUS.** The Partners forming the CMHPSM remain separate legal governmental entities and retain all the power, rights, and authority afforded community mental health services programs organized and operated as county mental health authorities or, agencies or organizations under the Mental Health Code.

**SECTION C. PARTNER VOTE.** The Partners of the CMHPSM will each have one (1) vote on those matters reserved to the Partners in Section D. The Partner's vote shall be conveyed in the form of a duly adopted written resolution of the governing body of each of the Partners.

**SECTION D: PARTNER RESERVED POWERS.** Each Partner shall possess the powers and rights retained and reserved to the Partners under these Bylaws and the Operating Agreement which shall include without limitation the power to approve the following:

1. All amendments, restatements or adoption of new bylaws;
2. The Operating Agreement, any amendment thereto and its termination;
3. Any proposal of the CMHPSM related to merger, consolidation, joint venture or formation of a new organization;
4. The termination of the CMHPSM and distribution of assets and liabilities, if any;
5. The issuance of debt which exceeds certain threshold amounts established for the CMHPSM by the Partners in the Operating Agreement;
6. Secured borrowings and unsecured borrowings in excess of amounts established in the Operating Agreement by the Partners; and
7. The sale, transfer or other disposition of substantially all of the assets of the CMHPSM.

**SECTION E. PARTNER RETAINED POWERS.** The Partners shall retain all powers, rights and authority afforded community mental health services programs, organized and operated as county mental health authorities, agencies or organizations under the Mental Health Code. Only the powers and authority specifically delegated to CMHPSM under these Bylaws and as further defined under an Operating Agreement, are transferred to CMHPSM. An Operating Agreement shall be approved by the CMHPSM Board and incorporated herein by reference.

**SECTION F. WITHDRAWAL OF THE PARTNER.** Any Partner may withdraw from the CMHPSM effective upon approval of ~~MDCH/MDHHS~~. A written notice of a minimum of 90 (ninety) days to the remaining Partners shall be provided. As of the effective date of the withdrawal from the CMHPSM, the Partner will have no further rights or benefits in the CMHPSM. The withdrawal does not absolve the Partner from any other service, performance or any other contractual obligations related to separate agreements established between the Partner and the CMHPSM. In addition, all Partner claims to CMHPSM assets or risk pools shall be pro-rated upon withdrawal as negotiated with ~~MDCH/MDHHS~~. The members of the Board appointed by the withdrawing Partner terminate as well, and no replacements will be appointed or vacancy be deemed to have occurred.

**SECTION G. REMOVAL OF THE PARTNER.** A Partner ~~shall~~**will** be removed from the CMHPSM upon approval of ~~MDCH/MDHHS~~ and under one of the following conditions: 1) Partner is dissolved under law by the authorizing ~~body county commission and the University of Michigan in the case of Community Mental Health Organization Agency of Washtenaw County,~~ 2) Partner is decertified as a community mental health services program by the State or 3) Partner is assigned to an alternative regional area as determined by the State and communicated in writing to the CMHPSM. In addition, all Partner claims to CMHPSM assets or risk pools shall be pro-rated upon removal as negotiated with ~~MDCH/MDHHS~~.

**SECTION H. NEW PARTNERS.** New partners of the CMHPSM may be added pending written support from the State for purposes of preserving the community mental health system. If addition of these new Partners to the CMHPSM is not required by the State, it is seen as within the sole discretion of the existing Partners. Thus, when not required by the State, the addition of new partners to the CMHPSM requires the approval of three-fourths (3/4) of the governing bodies of the existing Partners, conveyed via a duly adopted written resolution of these governing bodies. New partners added to the CMHPSM will be entitled to any membership or governance rights in the same manner as the existing Partners. Any new partners added under this section will forward any claims to existing Medicaid risk reserves to the CMHPSM on a pro-rated basis upon date of admission as negotiated with ~~MDCH/MDHHS~~.

**SECTION I. DISPUTE RESOLUTION.** Any dispute between Partners of the CMHPSM related to the interpretation or application of the Bylaws or Operating Agreement will be referred to the ~~CMHPSM regional board governing boards of all Partners~~ for due consideration within thirty (30) days. The resolution of the Bylaws or Operating Agreement dispute will be final upon agreement by the governing boards of three-fourths (3/4) of the Partners, in the form of a duly adopted written resolution of those governing bodies. Any disputes related to any other CMHPSM matter will be ~~resolved~~**removed** according to terms of the Operating Agreement.

**SECTION J. EXERCISE OF RESERVED POWERS.** Any action by the Partners will require the unanimous approval of the existing Partners conveyed in the form of a duly adopted written resolution from their respective governing bodies, to be binding upon the CMHPSM.



**ARTICLE V  
BOARD OF DIRECTORS**

**SECTION A**     **GENERAL POWERS.** The business, property and affairs of CMHPSM shall be managed by the Board of Directors.

**SECTION B.**     **NUMBER/COMPOSITION/APPOINTMENT.** The Board of Directors of the CMHPSM shall be a thirteen (13) member board. Each Partner will appoint three individuals from their respective Board roster to the CMHPSM Board of Directors. At least one appointee from each Partner will be required to be a primary or secondary consumer as defined in the Mental Health Code. Appointments are to be coordinated by the Partners so that there are at least two (2) primary consumers on the CMHPSM Board. The final composition of the Board shall include four consumer representatives with at least two of those being individuals who have received or are currently receiving a mental health service. The CMHPSM Board shall appoint one individual nominated by the Substance Use Disorder Oversight Policy Board (~~SOPB~~) and who is in Recovery.

**SECTION C.**     **PARTNER BOARD.** CMHPSM Board members may also serve on their respective boards.

**SECTION D.**     **VOTE.** Each individual appointed to the Board shall have one vote.

**SECTION E.**     **TERM.** Appointments to the CMHPSM Board shall be for a three year term.

1.       Terms of appointments shall be staggered to ensure that no more than one-third of the Board Members are subject to re-appointment in any given year.

**SECTION E.**     **REMOVAL.** A CMHPSM Board member may be removed for either neglect of official duty or misconduct in office after being given a written statement of reasons and an opportunity to be heard thereon. A vote of three-fourths (3/4) of the CMHPSM Board is required for removal of a CMHPSM Board member. The Partner that appointed the Board member may also remove that member at their discretion. Non-attendance of either three (3) consecutive meetings of the CMHPSM Board or three (3) meetings within a twelve (12) month period will initiate a CMHPSM Board review and may result in removal from the CMHPSM Board.

**SECTION G:**     **RESIGNATION.** The CMHPSM Board member may resign at any time by providing notification to the appointing Partner. The resignation will be effective upon receipt of the notice by the Partner or at a later time as designated in the notice.

**SECTION H.**     **BOARD VACANCIES.** A vacancy on the CMHPSM Board may occur through death, removal or resignation of the Board member. A vacancy shall be filled for an unexpired term by the Partner in the same manner as the original appointment.

**SECTION I.**     **CONFLICT OF INTEREST POLICY.** The Board of Directors shall adopt and adhere to a conflict of interest policy which shall require, among other things, the disclosure to the Board Chairperson and any committee chairperson any actual or possible conflicts of interest. All Board members will annually disclose any conflicts of interest while serving on the Board. Any amendment to the Conflict of Interest Policy shall be approved by three quarters (3/4) vote of the members of the CMHPSM Board.

**SECTION J. GOVERNANCE STYLE.** The Board will govern with an emphasis on outward vision, diversity in viewpoints, strategic leadership, clear distinction of Board and ~~Managing Director~~Chief Executive Officer roles, collective rather than individual decisions, and proactivity.

1. The Board will establish written policies reflecting the Board's values and perspectives.
2. The Board's major policy focus will be on the intended long-term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.

**SECTION K. SHARED GOVERNANCE.** The CMHPSM, the CMHPSM regional board and Partners will implement a shared governance decision-making model that:

1. Establishes and communicates specific goals based on over-arching priorities and the strategic plan; and
2. Creates and supports an organizational culture conducive to mutual trust and unified collegial action.
3. Fosters a continuous process improvement environment.

**SECTION L. REGIONAL OPERATIONS COMMITTEE.** The ~~Board~~CEO will utilize a Regional Operations Committee (ROC) to oversee CMHPSM regional activities as determined by the Board and in conjunction with the CMHPSM staff, prepare material and recommendations for the Board. The function, duties and responsibilities of the ROC are described in the CMHPSM Operating Agreement. The ROC shall be comprised of the ~~Managing Director~~Chief Executive Officer of the CMHPSM and the Executive Directors of the Partners that created the CMHPSM.

**SECTION M. STIPENDS.** Each Partner will pay stipends to individuals appointed to Board by the Partner, as determined by that particular Partner.

**SECTION N. BOARD POLICIES.** The Board shall develop governance policies from time to time and each member of the Board shall be responsible for complying with said policies.

## **ARTICLE VI BOARD OFFICERS**

**SECTION A. OFFICERS.** The officers of this Board shall be Chairperson, Vice Chairperson, and Secretary.

1. Only one individual from each Partner may serve as an officer. The CMHPSM officers shall have one year terms, or until such time as their successors are duly elected. Officers shall not serve more than 3 consecutive terms. To ensure that the Chairpersonship rotates,

upon the completion of a third term serving as Chairperson, a new Chairperson shall be an individual affiliated with another Partner.

**SECTION B. ELECTION.** The officers shall be elected by a majority vote of the Board at its October Meeting. Nominations for such positions shall be received from the Nominations Committee and the floor. The officers shall take office upon election.

**SECTION C. VOTEREMOVAL.** An officer may be removed by a two-thirds (2/3) vote of the serving Board.

**SECTION D. THE BOARD CHAIRPERSON SHALL:**

1. Preside at all meetings of the Board
2. Appoint members to all committees and the chairperson thereof with Board confirmation
3. Designate representatives to organizations
4. Be responsible for the preparation and distribution of an agenda prior to the Board Meeting in consultation with the ~~Managing Director~~Chief Executive Officer.
5. Sign such documents as are approved by the Board.
6. Perform such other necessary and reasonable responsibilities as pertain to the office of the Board Chairperson.

**SECTION E. THE VICE-CHAIRPERSON SHALL:**

1. Assume the responsibilities and duties of the Chairperson in his/her absence.
2. Perform such other necessary and reasonable responsibilities as pertain to the office of Vice-Chairperson.

**SECTION F. THE SECRETARY SHALL:**

1. Sign the official minutes after approval by the Board.
2. Assume the responsibilities and duties of the Chairperson in the absences of the Chairperson and Vice-Chairperson.
3. Perform such other necessary and reasonable responsibilities as pertain to the office of Secretary.

## ARTICLE VII

### BOARD MEETINGS

**SECTION A. 1.** **REGULAR MEETINGS.** The Board shall meet a minimum of six (6) times per year at a time and place specified by the Board in compliance with the Open Meetings Act, 1976 PA 267; MCL 15.261 et seq.

**SECTION B. 2.** **SPECIAL MEETINGS.** Special meetings may be called ~~by~~ at the discretion of the Board Chairperson or upon written request to the Board Secretary by one third of the Board, a majority of the members of the Board, and shall be conducted in compliance with the Open Meetings Act, 1976 PA 267; MCL 15.261 et seq. ~~Special meetings may be called at the discretion of the Board Chair or upon written request to the board Secretary by one third of the Board.~~ All Board members shall be notified of special meetings at least 36 hours in advance by personal delivery, e-mail, fax or telephone said meeting, and provided with the agenda.

**SECTION C. 3.** **QUORUM.** A quorum shall consist of ~~seven (7) a majority of the total seated members~~ when all thirteen (13) members of the CMHPSM Board are appointed and serving seated, and ~~Aa majority of the total seated members shall constitute a quorum when there are less than thirteen (13) total members appointed and serving seated.~~ Every Board member shall vote on all matters, unless excused by the Board Chairperson. The Chairperson shall vote on all matters, unless excused by the Board. CMHPSM Board Members must be in attendance to vote. The Board Chairperson may shall participate in discussion and vote on all issues. A majority of the Board members present shall be required to approve all items except the following, which shall require a two-thirds vote of the full Board.

- a. The hiring and firing of ~~Managing Director~~ the Chief Executive Officer;
- b. ~~Proposing Amendments~~ amendments to these Bylaws.

**SECTION D. 4.** **RULES OF ORDER.** Robert's Rules of Order, the most recent edition, shall govern the Board where applicable.

**SECTION E. 5.** **PUBLIC.** The public may comment upon recognition by the Chairperson in line with the Open Meetings Act.

## ARTICLE VIII

### BOARD COMMITTEES

**SECTION A.** **NOMINATIONS COMMITTEE.** Members of the Nominations Committee will be selected by the Board during the month prior to the Board's election of officers.

**SECTION B.** **OTHER.** Other committees may be established as determined by the Board.

**ARTICLE IX**  
**CMHPSM ADVISORY BOARDS/COUNCILS**

**SECTION A. THE CMHPSM BOARDS/COUNCILS.** The CMHPSM shall have Boards/Councils that are designed to provide advice and consultation to the CMHPSM Board of the Directors, the ROC, the staff of the CMHPSM, and the Partners on a variety of significant issues related to the provision of services to people with mental illness, substance use disorders, intellectual/developmental disabilities, and children and youth with serious emotional disturbances. Membership on the Boards/Councils is determined by relevant state and federal laws, payer contracts, and the Bylaws of each council. Each council shall appoint its own Chairperson.

1. Substance Use Disorders Oversight Policy Board ~~(SOPB)~~.

a. If the CMHPSM is a Department-Designated Community Mental Health Entity, as defined in Section 100a(22) of 2012 P.A. 500, CMHPSM shall create a Substance Use Disorder Oversight Policy Board (“SUD Board”) pursuant to MCL 330.1287 of the Mental Health Code, 1974 P.A. 258-2A, through a contract with each of the counties served by the CMHPSM (the “Establishing Agreement”).

b. Composition. The SUD Board shall consist of at least one (1) member appointed by the county board of commissioners for each county served by the CMHPSM and other members called for in the Establishing Agreement.

c. Functions and Responsibilities. The SUD Board shall perform the functions and responsibilities assigned to it in the Establishing Agreement with the counties, which shall include at a minimum:

i. Approval of any CMHPSM budget containing local funds for treatment or prevention of substance use disorders;

ii. Advise and make recommendations regarding CMHPSM budgets for substance use disorder treatment or prevention using other nonlocal funding sources;

iii. Advise and make recommendations regarding contracts with substance use disorder treatment or prevention providers; and

iv. Any other terms agreed to by the parties to the Establishing Agreement, consistent with authorizing legislation.

**ARTICLE X  
STAFF**

**SECTION A. MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER.** The Board of Directors of the CMHPSM shall appoint and the CMHPSM shall employ a ~~Managing Director~~Chief Executive Officer who shall be responsible for the day-to-day operation of the CMHPSM in accordance with the requirements and policies established by the State of Michigan and the Board.

**SECTION B. FISCAL OFFICER.** The CMHPSM shall employ a fiscal officer who shall report to the ~~Managing Director~~Chief Executive Officer and shall receive, deposit, invest, and disburse the CMHPSM's funds in the manner authorized by the Board, and shall have charge and custody over CMHPSM funds and securities, maintain accurate records of CMHPSM receipts and disbursements, deposit all moneys and securities received by the CMHPSM at such depositories in the CMHPSM's name that may be designated by the Board and perform all duties incident to the office and as assigned by the ~~Managing Director~~Chief Executive Officer. The financial officer has the responsibilities set forth in MCL 330.1204b and will be responsible for receiving, depositing, investing and disbursing the CMHPSM'S funds in the manner authorized by these Bylaws and board of directors in accordance with the CMHPSM'S Operating Agreement.

**SECTION C. OTHERS.** Functions required by statute or contract(s) with funding sources may be carried out directly by the CMHPSM, by specific staff of one or more of the Partners entities as agreed upon by all Partners, or as a delegated function as specified in contracts between the CMHPSM and the Partners.

**ARTICLE XI  
MANAGEMENT AND ACCOUNTABILITY FOR  
ASSETS AND LIABILITIES, AND CONTRACTING**

**SECTION A. REVENUES.** The CMHPSM revenues shall be equitably allocated among the Partners in the following manner:

1. Federal Medicaid funds for the provision of Specialty Services shall be allocated ~~according to~~an actuarially sound ~~formula that shall be reviewed and adjusted on a quarterly basis; at funding levels necessitated by the Partner to deliver all medically necessary services to covered individuals; and~~

2. Federal Block Grant funds shall be allocated according to the contract(s) connected with the Block Grants; and

3. Each CMHSP Partner shall retain and manage local funds, loans, grants, bequests, that are not required for or related to the provision of Medicaid services or to meet local match requirements for Federal Block Grants.

**SECTION B. CAPITAL AND OPERATING COSTS.** The method for allocating and financing the CMHPSM's capital and operating costs, payment to reserve funds, and payments of principal and interest on obligations shall be in proportion to Article XI., Section A.(1-3) above.

**SECTION C. OTHER ASSETS.** The CMHPSM Board shall direct the method for allocating any other assets, whenever possible, in accordance with Article XI., Section A. (1-3) above.

**SECTION D. SURPLUS FUNDS.** After the completion of the CMHPSM's purpose as specified in these Bylaws, any surplus funds shall be ~~budgeted~~ returned to the CMHSP Partners as directed by the CMHPSM Board per Article XI., Section A. (1-3) above.

**SECTION E. CONTRACTS.** The CMHPSM Board shall delineate the parameters in governance policies which the ~~Managing Director~~ Chief Executive Officer of the CMHPSM may enter into contracts on behalf of the CMHPSM with third parties, including contracts involving the acquisition, ownership, custody, operations, maintenance, lease or sale of real personal property and the deposit, division or distribution of property acquired by the execution of a contract.

**SECTION ~~GF~~. COSTS AND EXPENSES.** The CMHPSM Board will regularly calculate, assess, vote on, and collect from the Partners each Partner's designated share of the CMHPSM's cost and expenses prior to making distributions of funds to the Partners, to avoid a Partner's nonpayment of its designated share of the CMHPSM's expenses and infringe upon the rights of other Partners.

**SECTION G. SPECIAL FUND ACCOUNT.** The CMHPSM shall not be entitled to a Partner's special fund account under 226a unless that Partner specifically contracts with the CMHPSM for such activity or upon the revocation of the Partner's community mental health services programs certification with the State of Michigan under MCL § 330.1232a.

**SECTION H. STRICT ACCOUNTABILITY OF ALL FUNDS.** There shall be an Annual Audit of all the CMHPSM's receipts and disbursements. The audit results shall be shared with the CMHPSM Board of Directors, the Partners, and other key stakeholders both as required and requested. Financial reports shall be given to the CMHPSM Board members and the Partners at a frequency to be determined by the CMHPSM Board.

**SECTION I. REGIONAL FINANCING.** The CMHPSM and the Partners shall establish governance policy related to financial matters within the Region, to be set forth in greater detail in the Regional Operating Agreement.

## ARTICLE XII IMMUNITY/LIABILITY/INSURANCE

**SECTION A. GOVERNMENTAL IMMUNITY.** All the privileges and immunities from liability and exemptions from laws, ordinances, and rules provided under MCL § 330.1205(3)(b) of the Mental Health Code to county community mental health services programs and their Board members, officers, and administrators, and county elected officials and employees of county government are retained by the CMHPSM and the CMHPSM's Board members, officers, agents, and employees, as provided in MCL § 330.1204b(4).

**SECTION B. LIABILITY.** Except as required by law, these Bylaws, or any agreement between the Partners or the Partners and the CMHPSM, the Partners shall not be responsible for the acts, omissions, debts or other obligations and responsibilities of the CMHPSM or any other Partner or the Board members, employees, agents and representatives of the CMHPSM or the other Partners, whether acting separately or jointly under these Bylaws or pursuant to any such agreements. The Partners shall only be bound and obligated as expressly agreed to by each Partner and no Partner may otherwise obligate any other Partner.

1. All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the CMHPSM shall be the sole and nontransferable responsibility of the CMHPSM, and not the responsibility of the Partner, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act by the CMHPSM, its Board members, officers, employees or representatives; provided that nothing herein shall be construed as a waiver of any governmental or other immunity that has been provided to the CMHPSM or its Board members, officers, employees or representatives, by statute or court decisions.

2. All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the Partner shall be the sole and nontransferable responsibility of the Partner and not the responsibility of the CMHPSM, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act by the Partner, its Board members, officers, directors, employees and authorized representatives; provided that nothing herein shall be construed as a waiver of any governmental or other immunity that has been provided to the Partner or its Board members, officers, employees or representatives, by statute or court decisions.

3. Each Partner and the Regional CMHPSM will obtain its own legal counsel and will bear its own costs including judgments in any litigation which may arise out of its activities to be carried out pursuant to its obligations under these Bylaws or any agreement between the Partners or the Partners and the CMHPSM. It is specifically understood that no indemnification will be provided in such litigation.

4. In the event that liability to third parties, loss or damage arises as a result of activities conducted jointly under these Bylaws or any agreement between the Partners or the Partners and the CMHPSM, such liability, loss or damages shall be borne by each party in relation to each party's responsibilities under the joint activities, provided that nothing herein shall be construed as a waiver of any governmental or other immunity granted to any of said parties as provided by applicable statutes and/or court decisions.

5. Under these Bylaws, it is the intent that each of the Partners and the CMHPSM shall separately bear and shall be separately responsible for only those financial obligations related to their respective duties and responsibilities.

6. Insurance. The CMHPSM may purchase and maintain insurance on behalf of any person who is or was an CMHPSM Board member, officer, employee or representative of the CMHPSM, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the CMHPSM would have



power to indemnify the person against such liability under these Bylaws or the laws of the State of Michigan.

### **ARTICLE XIII REPORT**

**SECTION A. ANNUAL REPORT.** The CMHPSM shall provide an annual report of its activities to each Partner and other stakeholders as required or requested.

**SECTION B. OTHER REPORTS.** Other reports may be required by the Board from time to time and shall be prepared and presented as required by the Board.

### **ARTICLE XIV NON-DISCRIMINATION**

**SECTION A. NON-DISCRIMINATION.** The CMHPSM shall not discriminate against any individual in hiring or promotion, election or appointment to office or directorship, on the basis of race, creed, color, religion, national origin, sex, sexual orientation, age, height, weight, marital status or disability-

### **ARTICLE XV FISCAL YEAR**

The fiscal year of the CMHPSM shall end on September 30.

### **ARTICLE XVI FILING BYLAWS**

**SECTION A. FILING.** These Bylaws, including any amendment, shall be effective only after being duly adopted in accordance with MCL 330.1204b(1) and subsequently filed with the clerk of each county in which the Partners are located and with the Michigan Secretary of State.

### **ARTICLE XVII TERMINATION**

**SECTION A. TERMINATION.** The Partners may terminate the CMHPSM by a unanimous vote of the Partners, after distributing any assets, risk reserves or any other surplus funds to the Partners as provided in Article IX of these Bylaws. Any remaining assets not so disposed of shall be disposed of as determined by the Partners or by a court of competent jurisdiction to a governmental CMHPSM as said court shall determine to be organized and operated for purposes similar to those of the CMHPSM.

**ARTICLE XVIII**  
**AMENDMENTS/MICHIGAN LAWS**

**SECTION A. AMENDMENTS.** Any action by the Partners to amend or repeal these Bylaws, or adopt new Bylaws will require the unanimous vote of the existing Partners in the form of duly adopted written resolutions from their respective governing bodies, to be binding upon the CMHPSM. Notice setting forth the terms of the proposed amendment or repeal shall be given in accordance with any notice requirement for a meeting of the CMHPSM Board of Directors. No amendment to these Bylaws shall be effective until filed as provided in Article XVI.

**SECTION B. CONFLICTS WITH MICHIGAN LAWS.** Conflicts between Michigan statute and these Bylaws shall be governed by Michigan statute.

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## AMENDED BYLAWS

### COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN

#### ARTICLE I CREATION AND NAME

**SECTION A. CREATION.** Pursuant to Section 330.1204b of Act 258 of the Public Acts of 1974 as amended (Mental Health Code), the Community Mental Health Authorities of Lenawee, Livingston, and Monroe Counties and the Community Mental Health Agency of Washtenaw County (the Partners) hereby establish a regional entity to function as the Prepaid Inpatient Health Plan (PIHP) for the same four county region (designated as Region 6 by the Michigan Department of Health and Human Services (“MDHHS”).

**SECTION B. NAME.** The name of the regional entity shall be the Community Mental Health Partnership of Southeast Michigan (the “CMHPSM”).

**SECTION C. FORM OF ENTITY.** The CMHPSM is a public governmental entity separate from the counties, authorities, or organizations that establish it.

#### ARTICLE II PURPOSE

**SECTION A. PURPOSE.** The purpose of the CMHPSM is to: carry out the provisions of the Michigan Mental Health Code as they relate to serving as the PIHP of Region Six (6) as defined in 42 CFR 438.2 (“PIHP”); manage on a shared risk basis with the State of Michigan the Medicaid Specialty Support and Services Concurrent 1915(b)/(c) Waiver Programs (“Concurrent 1915 (b/c) Medicaid”), any 1915 (i) Waivers granted to the State of Michigan by the Centers for Medicare and Medicaid Services (CMS), any 1115 Demonstration Waivers granted to the State of Michigan by the Centers for Medicare and Medicaid Services, and under approval of SAMHSA and the State of Michigan, that the CMHPSM will operate substance use disorder (SUD) prevention and treatment programming funded under the SUD Community Grant; and ensure access to and the provision of a comprehensive array of Medicaid funded specialty behavioral health services for Medicaid recipients who are adults with a serious mental illness, children and youth with a serious emotional disturbance, individuals with an intellectual/developmental disability, and individuals with a substance use disorder who reside in Lenawee, Livingston, Monroe, or Washtenaw Counties in Michigan. The CMHPSM’s specific functions include, but are not limited to:

1. Receiving and distributing Medicaid payments from the MDHHS or CMHPSM Medicaid savings related to services provided by the CMHPSM or the Partners as well as Block Grant funding according to the terms of the Block Grant awards.

2. Acting as the regional entity for substance use disorder (“SUD”) treatment

programs administered by the Partners and otherwise provided within the designated service areas of the CMHPSM.

### **ARTICLE III CMHPSM POWERS**

**SECTION A. GENERAL POWERS.** Except as otherwise provided in these Bylaws including without limitation Article IV, Section D, the CMHPSM possesses all the powers provided in MCL § 330.1204b(2), including but not limited to:

1. The power, privilege, or authority that the Partners share in common and may exercise separately under the Mental Health Code, as specified in these Bylaws;
2. The power to contract with the State to serve as the PIHP for the designated service areas of the Partners;
3. The power to accept funds, grants, gifts, or services from the federal government or a federal agency, from the state or a state department, agency, instrumentality, or from a political subdivision, or any other governmental unit, whether or not that governmental unit participates in the CMHPSM, and from a private or civic source;
4. The power to enter into a contract with a Partner for any service to be performed for, by, or from the Partner;
5. The power to create a risk pool and take other action as necessary to reduce the risk that the Partners would otherwise bear individually;
6. The power to calculate, assess, and collect from the Partners payments or withholds attributable to their designated share of the CMHPSM's costs and expenses; and
7. The power to contract with State, federal, local and/or commercial entities.

**SECTION B: CMHPSM ACTIONS.** The manner by which the CMHPSM's purposes will be accomplished and powers will be exercised shall be through the actions of the Partners as provided in Article IV and through the actions of the Board as set forth in these Bylaws or as delegated by the Board to officers, committees or other agents.

**SECTION C. COMPLIANCE WITH LAWS.** The CMHPSM and its Partners, Board, officers and staff shall fully comply with all applicable laws, regulations and rules, including without limitation 1976 P.A. 267 (the "Open Meetings Act") and 1976 P.A. 422 (the "Freedom of Information Act"). The CMHPSM shall develop compliance policies and procedures. In the event that any noncompliance is found, immediate corrective action, as defined in the Operating Agreement, shall be taken by the appropriate source to ensure compliance.

**ARTICLE IV  
THE PARTNERS**

**SECTION A: PARTNERS.** The Partners shall be those Community Mental Health Service Programs (CMHSP's) that have adopted these Bylaws.

**SECTION B. STATUS.** The Partners forming the CMHPSM remain separate legal governmental entities and retain all the power, rights, and authority afforded community mental health services programs organized and operated as county mental health authorities or agencies under the Mental Health Code.

**SECTION C. PARTNER VOTE.** The Partners of the CMHPSM will each have one (1) vote on those matters reserved to the Partners in Section D. The Partner's vote shall be conveyed in the form of a duly adopted written resolution of the governing body of each of the Partners.

**SECTION D: PARTNER RESERVED POWERS.** Each Partner shall possess the powers and rights retained and reserved to the Partners under these Bylaws and the Operating Agreement which shall include without limitation the power to approve the following:

1. All amendments, restatements or adoption of new bylaws;
2. The Operating Agreement, any amendment thereto and its termination;
3. Any proposal of the CMHPSM related to merger, consolidation, joint venture or formation of a new organization;
4. The termination of the CMHPSM and distribution of assets and liabilities, if any;
5. The issuance of debt which exceeds certain threshold amounts established for the CMHPSM by the Partners in the Operating Agreement;
6. Secured borrowings and unsecured borrowings in excess of amounts established in the Operating Agreement by the Partners; and
7. The sale, transfer or other disposition of substantially all of the assets of the CMHPSM.

**SECTION E. PARTNER RETAINED POWERS.** The Partners shall retain all powers, rights and authority afforded community mental health services programs, organized and operated as county mental health authorities, agencies or organizations under the Mental Health Code. Only the powers and authority specifically delegated to CMHPSM under these Bylaws and as further defined under an Operating Agreement, are transferred to CMHPSM. An Operating Agreement shall be approved by the CMHPSM Board and incorporated herein by reference.

**SECTION F. WITHDRAWAL OF THE PARTNER.** Any Partner may withdraw from the CMHPSM effective upon approval of MDHHS. A written notice of a minimum of 90 (ninety) days to the remaining Partners shall be provided. As of the effective date of the withdrawal from

the CMHPSM, the Partner will have no further rights or benefits in the CMHPSM. The withdrawal does not absolve the Partner from any other service, performance or any other contractual obligations related to separate agreements established between the Partner and the CMHPSM. In addition, all Partner claims to CMHPSM assets or risk pools shall be pro-rated upon withdrawal as negotiated with MDHHS. The members of the Board appointed by the withdrawing Partner terminate as well, and no replacements will be appointed or vacancy be deemed to have occurred.

**SECTION G. REMOVAL OF THE PARTNER.** A Partner shall be removed from the CMHPSM upon approval of MDHHS and under one of the following conditions: 1) Partner is dissolved under law by the authorizing body , 2) Partner is decertified as a community mental health services program by the State or 3) Partner is assigned to an alternative regional area as determined by the State and communicated in writing to the CMHPSM. In addition, all Partner claims to CMHPSM assets or risk pools shall be pro-rated upon removal as negotiated with MDHHS.

**SECTION H. NEW PARTNERS.** New partners of the CMHPSM may be added pending written support from the State for purposes of preserving the community mental health system. If addition of these new Partners to the CMHPSM is not required by the State, it is seen as within the sole discretion of the existing Partners. Thus, when not required by the State, the addition of new partners to the CMHPSM requires the approval of three-fourths (3/4) of the governing bodies of the existing Partners, conveyed via a duly adopted written resolution of these governing bodies. New partners added to the CMHPSM will be entitled to any membership or governance rights in the same manner as the existing Partners. Any new partners added under this section will forward any claims to existing Medicaid risk reserves to the CMHPSM on a pro-rated basis upon date of admission as negotiated with MDHHS.

**SECTION I. DISPUTE RESOLUTION.** Any dispute between Partners of the CMHPSM related to the interpretation or application of the Bylaws or Operating Agreement will be referred to the CMHPSM regional board for due consideration within thirty (30) days. The resolution of the Bylaws or Operating Agreement dispute will be final upon agreement by the governing boards of three-fourths (3/4) of the Partners, in the form of a duly adopted written resolution of those governing bodies. Any disputes related to any other CMHPSM matter will be resolved according to terms of the Operating Agreement.

**SECTION J. EXERCISE OF RESERVED POWERS.** Any action by the Partners will require the unanimous approval of the existing Partners conveyed in the form of a duly adopted written resolution from their respective governing bodies, to be binding upon the CMHPSM.

## **ARTICLE V BOARD OF DIRECTORS**

**SECTION A GENERAL POWERS.** The business, property and affairs of CMHPSM shall be managed by the Board of Directors.

**SECTION B. NUMBER/COMPOSITION/APPOINTMENT.** The Board of Directors of the CMHPSM shall be a thirteen (13) member board. Each Partner will appoint three individuals

from their respective Board roster to the CMHPSM Board of Directors. At least one appointee from each Partner will be required to be a primary or secondary consumer as defined in the Mental Health Code. Appointments are to be coordinated by the Partners so that there are at least two (2) primary consumers on the CMHPSM Board. The final composition of the Board shall include four consumer representatives with at least two of those being individuals who have received or are currently receiving a mental health service. The CMHPSM Board shall appoint one individual nominated by the Substance Use Disorder Oversight Policy Board and who is in Recovery.

**SECTION C. PARTNER BOARD.** CMHPSM Board members may also serve on their respective boards.

**SECTION D. VOTE.** Each individual appointed to the Board shall have one vote.

**SECTION E. TERM.** Appointments to the CMHPSM Board shall be for a three year term.

1. Terms of appointments shall be staggered to ensure that no more than one-third of the Board Members are subject to re-appointment in any given year.

**SECTION F. REMOVAL.** A CMHPSM Board member may be removed for either neglect of official duty or misconduct in office after being given a written statement of reasons and an opportunity to be heard thereon. A vote of three-fourths (3/4) of the CMHPSM Board is required for removal of a CMHPSM Board member. The Partner that appointed the Board member may also remove that member at their discretion. Non-attendance of either three (3) consecutive meetings of the CMHPSM Board or three (3) meetings within a twelve (12) month period will initiate a CMHPSM Board review and may result in removal from the CMHPSM Board.

**SECTION G: RESIGNATION.** The CMHPSM Board member may resign at any time by providing notification to the appointing Partner. The resignation will be effective upon receipt of the notice by the Partner or at a later time as designated in the notice.

**SECTION H. BOARD VACANCIES.** A vacancy on the CMHPSM Board may occur through death, removal or resignation of the Board member. A vacancy shall be filled for an unexpired term by the Partner in the same manner as the original appointment.

**SECTION I. CONFLICT OF INTEREST POLICY.** The Board of Directors shall adopt and adhere to a conflict of interest policy which shall require, among other things, the disclosure to the Board Chairperson and any committee chairperson any actual or possible conflicts of interest. All Board members will annually disclose any conflicts of interest while serving on the Board. Any amendment to the Conflict of Interest Policy shall be approved by three quarters (3/4) vote of the members of the CMHPSM Board.

**SECTION J. GOVERNANCE STYLE.** The Board will govern with an emphasis on outward vision, diversity in viewpoints, strategic leadership, clear distinction of Board and Chief Executive Officer roles, collective rather than individual decisions, and proactivity.

1. The Board will establish written policies reflecting the Board's values and perspectives.

2. The Board's major policy focus will be on the intended long-term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.

**SECTION K. SHARED GOVERNANCE.** The CMHPSM, the CMHPSM regional board and Partners will implement a shared governance decision-making model that:

1. Establishes and communicates specific goals based on over-arching priorities and the strategic plan; and
2. Creates and supports an organizational culture conducive to mutual trust and unified collegial action.
3. Fosters a continuous process improvement environment.

**SECTION L. REGIONAL OPERATIONS COMMITTEE.** The CEO will utilize a Regional Operations Committee (ROC) to oversee CMHPSM regional activities as determined by the Board and in conjunction with the CMHPSM staff, prepare material and recommendations for the Board. The function, duties and responsibilities of the ROC are described in the CMHPSM Operating Agreement. The ROC shall be comprised of the Chief Executive Officer of the CMHPSM and the Executive Directors of the Partners that created the CMHPSM.

**SECTION M. STIPENDS.** Each Partner will pay stipends to individuals appointed to Board by the Partner, as determined by that particular Partner.

**SECTION N. BOARD POLICIES.** The Board shall develop governance policies from time to time and each member of the Board shall be responsible for complying with said policies.

## **ARTICLE VI BOARD OFFICERS**

**SECTION A. OFFICERS.** The officers of this Board shall be Chairperson, Vice Chairperson, and Secretary.

1. Only one individual from each Partner may serve as an officer. The CMHPSM officers shall have one year terms, or until such time as their successors are duly elected. Officers shall not serve more than 3 consecutive terms. To ensure that the Chairpersonship rotates, upon the completion of a third term serving as Chairperson, a new Chairperson shall be an individual affiliated with another Partner.

**SECTION B. ELECTION.** The officers shall be elected by a majority vote of the Board at its October Meeting. Nominations for such positions shall be received from the Nominations Committee and the floor. The officers shall take office upon election.

**SECTION C. REMOVAL.** An officer may be removed by a two-thirds (2/3) vote of the serving Board.



**SECTION D. THE BOARD CHAIRPERSON SHALL:**

1. Preside at all meetings of the Board
2. Appoint members to all committees and the chairperson thereof with Board confirmation
3. Designate representatives to organizations
4. Be responsible for the preparation and distribution of an agenda prior to the Board Meeting in consultation with the Chief Executive Officer.
5. Sign such documents as are approved by the Board.
6. Perform such other necessary and reasonable responsibilities as pertain to the office of the Board Chairperson.

**SECTION E. THE VICE-CHAIRPERSON SHALL:**

1. Assume the responsibilities and duties of the Chairperson in his/her absence.
2. Perform such other necessary and reasonable responsibilities as pertain to the office of Vice-Chairperson.

**SECTION F. THE SECRETARY SHALL:**

1. Sign the official minutes after approval by the Board.
2. Assume the responsibilities and duties of the Chairperson in the absences of the Chairperson and Vice-Chairperson.
3. Perform such other necessary and reasonable responsibilities as pertain to the office of Secretary.

**ARTICLE VII  
BOARD MEETINGS**

**SECTION A. REGULAR MEETINGS.** The Board shall meet a minimum of six (6) times per year at a time and place specified by the Board in compliance with the Open Meetings Act, 1976 PA 267; MCL 15.261 et seq.

**SECTION B. SPECIAL MEETINGS.** Special meetings may be called at the discretion of the Board Chairperson or upon written request to the Board Secretary by one third of the Board, and shall be conducted in compliance with the Open Meetings Act, 1976 PA 267; MCL 15.261 et seq. All Board members shall be notified of special meetings at least 36 hours in advance by personal delivery, e-mail, fax or telephone, and provided with the agenda.

**SECTION C. QUORUM.** A quorum shall consist of seven (7) members when all thirteen (13) members of the CMHPSM Board are appointed and serving. A majority of the members shall constitute a quorum when there are less than thirteen (13) total members appointed and serving. Every Board member shall vote on all matters, unless excused by the Board Chairperson. The Chairperson shall vote on all matters, unless excused by the Board. A majority of the Board members present shall be required to approve all items except the following, which shall require a two-thirds vote of the full Board.

- a. The hiring and firing of the Chief Executive Officer;
- b. Proposing amendments to these Bylaws

**SECTION D. RULES OF ORDER.** Robert's Rules of Order, the most recent edition, shall govern the Board where applicable.

**SECTION E. PUBLIC.** The public may comment upon recognition by the Chairperson in line with the Open Meetings Act.

## **ARTICLE VIII BOARD COMMITTEES**

**SECTION A. NOMINATIONS COMMITTEE.** Members of the Nominations Committee will be selected by the Board during the month prior to the Board's election of officers.

**SECTION B. OTHER.** Other committees may be established as determined by the Board.

## **ARTICLE IX CMHPSM ADVISORY BOARDS/COUNCILS**

**SECTION A. THE CMHPSM BOARDS/COUNCILS.** The CMHPSM shall have Boards/Councils that are designed to provide advice and consultation to the CMHPSM Board of the Directors, the ROC, the staff of the CMHPSM, and the Partners on a variety of significant issues related to the provision of services to people with mental illness, substance use disorders, intellectual/developmental disabilities, and children and youth with serious emotional disturbances. Membership on the Boards/Councils is determined by relevant state and federal laws, payer contracts, and the Bylaws of each council. Each council shall appoint its own Chairperson.

1. Substance Use Disorders Oversight Policy Board.
  - a. If the CMHPSM is a Department-Designated Community Mental Health Entity, as defined in Section 100a(22) of 2012 P.A. 500, CMHPSM shall create a Substance Use Disorder Oversight Policy Board ("SUD Board") pursuant to MCL

330.1287 of the Mental Health Code, 1974 P.A. 258-2A, through a contract with each of the counties served by the CMHPSM (the “Establishing Agreement”).

b. Composition. The SUD Board shall consist of at least one (1) member appointed by the county board of commissioners for each county served by the CMHPSM and other members called for in the Establishing Agreement.

c. Functions and Responsibilities. The SUD Board shall perform the functions and responsibilities assigned to it in the Establishing Agreement with the counties, which shall include at a minimum:

i. Approval of any CMHPSM budget containing local funds for treatment or prevention of substance use disorders;

ii. Advise and make recommendations regarding CMHPSM budgets for substance use disorder treatment or prevention using other nonlocal funding sources;

iii. Advise and make recommendations regarding contracts with substance use disorder treatment or prevention providers; and

iv. Any other terms agreed to by the parties to the Establishing Agreement, consistent with authorizing legislation.

## **ARTICLE X STAFF**

**SECTION A. CHIEF EXECUTIVE OFFICER**. The Board of Directors of the CMHPSM shall appoint and the CMHPSM shall employ a Chief Executive Officer who shall be responsible for the day-to-day operation of the CMHPSM in accordance with the requirements and policies established by the State of Michigan and the Board.

**SECTION B. FISCAL OFFICER**. The CMHPSM shall employ a fiscal officer who shall report to the Chief Executive Officer and shall receive, deposit, invest, and disburse the CMHPSM’s funds in the manner authorized by the Board, and shall have charge and custody over CMHPSM funds and securities, maintain accurate records of CMHPSM receipts and disbursements, deposit all moneys and securities received by the CMHPSM at such depositories in the CMHPSM’s name that may be designated by the Board and perform all duties incident to the office and as assigned by the Chief Executive Officer. The financial officer has the responsibilities set forth in MCL 330.1204b and will be responsible for receiving, depositing, investing and disbursing the CMHPSM’S funds in the manner authorized by these Bylaws and board of directors in accordance with the CMHPSM’S Operating Agreement.

**SECTION C. OTHERS**. Functions required by statute or contract(s) with funding sources may be carried out directly by the CMHPSM, by specific staff of one or more of the Partners

entities as agreed upon by all Partners, or as a delegated function as specified in contracts between the CMHPSM and the Partners.

**ARTICLE XI  
MANAGEMENT AND ACCOUNTABILITY FOR  
ASSETS AND LIABILITIES, AND CONTRACTING**

**SECTION A. REVENUES.** The CMHPSM revenues shall be equitably allocated among the Partners in the following manner:

1. Federal Medicaid funds for the provision of Specialty Services shall be allocated on an actuarially sound basis at funding levels necessitated by the Partner to deliver all medically necessary services to covered individuals; and
2. Federal Block Grant funds shall be allocated according to the contract(s) connected with the Block Grants; and
3. Each CMHSP Partner shall retain and manage local funds, loans, grants, bequests, that are not required for or related to the provision of Medicaid services or to meet local match requirements for Federal Block Grants.

**SECTION B. CAPITAL AND OPERATING COSTS.** The method for allocating and financing the CMHPSM's capital and operating costs, payment to reserve funds, and payments of principal and interest on obligations shall be in proportion to Article XI., Section A.(1-3) above.

**SECTION C. OTHER ASSETS.** The CMHPSM Board shall direct the method for allocating any other assets, whenever possible, in accordance with Article XI., Section A. (1-3) above.

**SECTION D. SURPLUS FUNDS.** After the completion of the CMHPSM's purpose as specified in these Bylaws, any surplus funds shall be budgeted to the CMHSP Partners as directed by the CMHPSM Board per Article XI., Section A. (1-3) above.

**SECTION E. CONTRACTS.** The CMHPSM Board shall delineate the parameters in governance policies which the Chief Executive Officer of the CMHPSM may enter into contracts on behalf of the CMHPSM with third parties, including contracts involving the acquisition, ownership, custody, operations, maintenance, lease or sale of real personal property and the deposit, division or distribution of property acquired by the execution of a contract.

**SECTION F. COSTS AND EXPENSES.** The CMHPSM Board will regularly calculate, assess, vote on, and collect from the Partners each Partner's designated share of the CMHPSM's cost and expenses prior to making distributions of funds to the Partners, to avoid a Partner's nonpayment of its designated share of the CMHPSM's expenses and infringe upon the rights of other Partners.

**SECTION G. SPECIAL FUND ACCOUNT.** The CMHPSM shall not be entitled to a Partner's special fund account under 226a unless that Partner specifically contracts with the

CMHPSM for such activity or upon the revocation of the Partner's community mental health services programs certification with the State of Michigan under MCL § 330.1232a.

**SECTION H. STRICT ACCOUNTABILITY OF ALL FUNDS.** There shall be an Annual Audit of all the CMHPSM's receipts and disbursements. The audit results shall be shared with the CMHPSM Board of Directors, the Partners, and other key stakeholders both as required and requested. Financial reports shall be given to the CMHPSM Board members and the Partners at a frequency to be determined by the CMHPSM Board.

**SECTION I. REGIONAL FINANCING.** The CMHPSM and the Partners shall establish governance policy related to financial matters within the Region, to be set forth in greater detail in the Regional Operating Agreement.

## **ARTICLE XII IMMUNITY/LIABILITY/INSURANCE**

**SECTION A. GOVERNMENTAL IMMUNITY.** All the privileges and immunities from liability and exemptions from laws, ordinances, and rules provided under MCL § 330.1205(3)(b) of the Mental Health Code to county community mental health services programs and their Board members, officers, and administrators, and county elected officials and employees of county government are retained by the CMHPSM and the CMHPSM's Board members, officers, agents, and employees, as provided in MCL § 330.1204b(4).

**SECTION B. LIABILITY.** Except as required by law, these Bylaws, or any agreement between the Partners or the Partners and the CMHPSM, the Partners shall not be responsible for the acts, omissions, debts or other obligations and responsibilities of the CMHPSM or any other Partner or the Board members, employees, agents and representatives of the CMHPSM or the other Partners, whether acting separately or jointly under these Bylaws or pursuant to any such agreements. The Partners shall only be bound and obligated as expressly agreed to by each Partner and no Partner may otherwise obligate any other Partner.

1. All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the CMHPSM shall be the sole and nontransferable responsibility of the CMHPSM, and not the responsibility of the Partner, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act by the CMHPSM, its Board members, officers, employees or representatives; provided that nothing herein shall be construed as a waiver of any governmental or other immunity that has been provided to the CMHPSM or its Board members, officers, employees or representatives, by statute or court decisions.

2. All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the Partner shall be the sole and nontransferable responsibility of the Partner and not the responsibility of the CMHPSM, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act by the Partner, its Board members, officers, directors, employees and authorized representatives; provided that nothing herein shall be construed as a waiver of any governmental or other immunity that has been

provided to the Partner or its Board members, officers, employees or representatives, by statute or court decisions.

3. Each Partner and the Regional CMHPSM will obtain its own legal counsel and will bear its own costs including judgments in any litigation which may arise out of its activities to be carried out pursuant to its obligations under these Bylaws or any agreement between the Partners or the Partners and the CMHPSM. It is specifically understood that no indemnification will be provided in such litigation.

4. In the event that liability to third parties, loss or damage arises as a result of activities conducted jointly under these Bylaws or any agreement between the Partners or the Partners and the CMHPSM, such liability, loss or damages shall be borne by each party in relation to each party's responsibilities under the joint activities, provided that nothing herein shall be construed as a waiver of any governmental or other immunity granted to any of said parties as provided by applicable statutes and/or court decisions.

5. Under these Bylaws, it is the intent that each of the Partners and the CMHPSM shall separately bear and shall be separately responsible for only those financial obligations related to their respective duties and responsibilities.

6. Insurance. The CMHPSM may purchase and maintain insurance on behalf of any person who is or was an CMHPSM Board member, officer, employee or representative of the CMHPSM, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the CMHPSM would have power to indemnify the person against such liability under these Bylaws or the laws of the State of Michigan.

### **ARTICLE XIII REPORT**

**SECTION A. ANNUAL REPORT.** The CMHPSM shall provide an annual report of its activities to each Partner and other stakeholders as required or requested.

**SECTION B. OTHER REPORTS.** Other reports may be required by the Board from time to time and shall be prepared and presented as required by the Board.

### **ARTICLE XIV NON-DISCRIMINATION**

**SECTION A. NON-DISCRIMINATION.** The CMHPSM shall not discriminate against any individual in hiring or promotion, election or appointment to office or directorship, on the basis of race, creed, color, religion, national origin, sex, sexual orientation, age, height, weight, marital status or disability

**ARTICLE XV  
FISCAL YEAR**

The fiscal year of the CMHPSM shall end on September 30.

**ARTICLE XVI  
FILING BYLAWS**

**SECTION A. FILING.** These Bylaws, including any amendment, shall be effective only after being duly adopted in accordance with MCL 330.1204b(1) and subsequently filed with the clerk of each county in which the Partners are located and with the Michigan Secretary of State.

**ARTICLE XVII  
TERMINATION**

**SECTION A. TERMINATION.** The Partners may terminate the CMHPSM by a unanimous vote of the Partners, after distributing any assets, risk reserves or any other surplus funds to the Partners as provided in Article IX of these Bylaws. Any remaining assets not so disposed of shall be disposed of as determined by the Partners or by a court of competent jurisdiction to a governmental CMHPSM as said court shall determine to be organized and operated for purposes similar to those of the CMHPSM.

**ARTICLE XVIII  
AMENDMENTS/MICHIGAN LAWS**

**SECTION A. AMENDMENTS.** Any action by the Partners to amend or repeal these Bylaws, or adopt new Bylaws will require the unanimous vote of the existing Partners in the form of duly adopted written resolutions from their respective governing bodies, to be binding upon the CMHPSM. Notice setting forth the terms of the proposed amendment or repeal shall be given in accordance with any notice requirement for a meeting of the CMHPSM Board of Directors. No amendment to these Bylaws shall be effective until filed as provided in Article XVI.

**SECTION B. CONFLICTS WITH MICHIGAN LAWS.** Conflicts between Michigan statute and these Bylaws shall be governed by Michigan statute.