

pSubpart I—Block Grants for Community Mental Health Services

SEC. 1911. [300x-1] FORMULA GRANTS TO STATES.

- (a) **IN GENERAL.**—For the purpose described in subsection (b), the Secretary, acting through the Director of the Center for Mental Health Services, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 1918. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the State submits to the Secretary an application in accordance with section 1917.
- (b) **PURPOSE OF GRANTS.**—A funding agreement for a grant under subsection (a) is that, subject to section 1916, the State involved will expend the grant only for the purpose of—
- (1) carrying out the plan submitted under section 1912(a) by the State for the fiscal year involved;
 - (2) evaluating programs and services carried out under the plan; and
 - (3) planning, administration, and educational activities related to providing services under the plan.

SEC. 1912. [300x-2] STATE PLAN FOR COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CERTAIN INDIVIDUALS.

- (a) **IN GENERAL.**—The Secretary may make a grant under section 1911 only if—
- (1) the State involved submits to the Secretary a plan for providing comprehensive community mental health services to adults with a serious mental illness and to children with a serious emotional disturbance;
 - (2) the plan meets the criteria specified in subsection (b); and
 - (3) the plan is approved by the Secretary.
- (b) **CRITERIA FOR PLAN.**—With respect to the provision of comprehensive community mental health services to individuals who are either adults with a serious mental illness or children with a serious emotional disturbance, the criteria referred to in subsection (a) regarding a plan are as follows:
- (1) **COMPREHENSIVE COMMUNITY-BASED MENTAL HEALTH SYSTEMS.**—The plan provides for an organized community-based system of care for individuals with mental illness and describes available services and resources in a comprehensive system of care, including services for dually diagnosed individuals. The description of the system of care shall include health and mental health services, rehabilitation services, employment services, housing services, educational services, substance abuse services, medical and dental care, and other support services to be provided to individuals with Federal, State and local public and private resources to enable such individuals to function outside of inpatient or residential institutions to the maximum extent of their capabilities, including services to be provided by local school systems under the Individuals

- with Disabilities Education Act. The plan shall include a separate description of case management services and provide for activities leading to reduction of hospitalization.
- (2) **MENTAL HEALTH SYSTEM DATA AND EPIDEMIOLOGY.**— The plan contains an estimate of the incidence and prevalence in the State of serious mental illness among adults and serious emotional disturbance among children and presents quantitative targets to be achieved in the implementation of the system described in paragraph (1).
- (3) **CHILDREN’S SERVICES.**—In the case of children with serious emotional disturbance, the plan—
- (A) subject to subparagraph (B), provides for a system of integrated social services, educational services, juvenile services, and substance abuse services that, together with health and mental health services, will be provided in order for such children to receive care appropriate for their multiple needs (such system to include services provided under the Individuals with Disabilities Education Act);
 - (B) provides that the grant under section 1911 for the fiscal year involved will not be expended to provide any service under such system other than comprehensive community mental health services; and
 - (C) provides for the establishment of a defined geographic area for the provision of the services of such system.
- (4) **TARGETED SERVICES TO RURAL AND HOMELESS POPULATIONS.**— The plan describes the State’s outreach to and services for individuals who are homeless and how community-based services will be provided to individuals residing in rural areas.
- (5) **MANAGEMENT SYSTEMS.**—The plan describes the financial resources, staffing and training for mental health providers that is necessary to implement the plan, and provides for the training of providers of emergency health services regarding mental health. The plan further describes the manner in which the State intends to expend the grant under section 1911 for the fiscal year involved.

Except as provided for in paragraph (3), the State plan shall contain the information required under this subsection with respect to both adults with serious mental illness and children with serious emotional disturbance.

(c) **DEFINITIONS REGARDING MENTAL ILLNESS AND EMOTIONAL DISTURBANCE; METHODS FOR ESTIMATE OF INCIDENCE AND PREVALENCE.**—

- (1) **ESTABLISHMENT BY SECRETARY OF DEFINITIONS; DISSEMINATION.**—For purposes of this subpart, the Secretary shall establish definitions for the terms “adults with a serious mental illness” and “children with a serious emotional disturbance”. The Secretary shall disseminate the definitions to the States.

(2) STANDARDIZED METHODS.—The Secretary shall establish standardized methods for making the estimates required in subsection (b)(11) with respect to a State. A funding agreement for a grant under section 1911 for the State is that the State will utilize such methods in making the estimates.

(3) DATE CERTAIN FOR COMPLIANCE BY SECRETARY.—Not later than 90 days after the date of the enactment of the ADAMHA Reorganization Act¹, the Secretary shall establish the definitions described in paragraph (1), shall begin dissemination of the definitions to the States, and shall establish the standardized methods described in paragraph (2).

(d) REQUIREMENT OF IMPLEMENTATION OF PLAN.—

(1) COMPLETE IMPLEMENTATION.—Except as provided in paragraph (2), in making a grant under section 1911 to a State for a fiscal year, the Secretary shall make a determination of the extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that a State has not completely implemented the plan, the Secretary shall reduce the amount of the allotment under section 1911 for the State for the fiscal year involved by an amount equal to 10 percent of the amount determined under section 1918 for the State for the fiscal year.

(2) SUBSTANTIAL IMPLEMENTATION AND GOOD FAITH EFFORT REGARDING FISCAL YEAR 1993.—

(A) In making a grant under section 1911 to a State for fiscal year 1993, the Secretary shall make a determination of the extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that the State has not substantially implemented the plan, the Secretary shall, subject to subparagraph (B), reduce the amount of the allotment under section 1911 for the State for such fiscal year by an amount equal to 10 percent of the amount determined under section 1918 for the State for the fiscal year.

(B) In carrying out subparagraph (A), if the Secretary determines that the State is making a good faith effort to implement the plan required in subsection (a), the Secretary may make a reduction under such subparagraph in an amount that is less than the amount specified in such subparagraph, except that the reduction may not be made in an amount that is less than 5 percent of the amount determined under section 1918 for the State for fiscal year 1993.

¹ Enacted July 10, 1992.

SEC. 1913. [300x-3] CERTAIN AGREEMENTS.

(a) ALLOCATION FOR SYSTEMS OF INTEGRATED SERVICES FOR CHILDREN.—

(1) **IN GENERAL.**—With respect to children with a serious emotional disturbance, a funding agreement for a grant under section 1911 is that—

(A) in the case of a grant for fiscal year 1993, the State involved will expend not less than 10 percent of the grant to increase (relative to fiscal year 1992) funding for the system of integrated services described in section 1912(b)(9);

(B) in the case of a grant for fiscal year 1994, the State will expend not less than 10 percent of the grant to increase (relative to fiscal year 1993) funding for such system; and

(C) in the case of a grant for any subsequent fiscal year, the State will expend for such system not less than an amount equal to the amount expended by the State for fiscal year 1994.

(2) WAIVER.—

(A) Upon the request of a State, the Secretary may provide to the State a waiver of all or part of the requirement established in paragraph (1) if the Secretary determines that the State is providing an adequate level of comprehensive community mental health services for children with a serious emotional disturbance², as indicated by a comparison of the number of such children for which such services are sought with the availability in the State of the services.

(B) The Secretary shall approve or deny a request for a waiver under subparagraph (A) not later than 120 days after the date on which the request is made.

(C) Any waiver provided by the Secretary under subparagraph (A) shall be applicable only to the fiscal year involved.

(b) PROVIDERS OF SERVICES.—A funding agreement for a grant under section 1911 for a State is that, with respect to the plan submitted under section 1912(a) for the fiscal year involved—

(1) services under the plan will be provided only through appropriate, qualified community programs (which may include community mental health centers, child mental-health programs, psychosocial rehabilitation programs, mental health peer-support programs, and mental-health primary consumer-directed programs); and

(2) services under the plan will be provided through community mental health centers only if the centers meet the criteria specified in subsection (c).

² So in law. See section 201 of Public Law 102–321 (106 Stat. 381). Probably should be “disturbance”.

- (c) **CRITERIA FOR MENTAL HEALTH CENTERS.**—The criteria referred to in subsection (b)(2) regarding community mental health centers are as follows:
- (1) With respect to mental health services, the centers provide services as follows:
 - (A) Services principally to individuals residing in a defined geographic area (hereafter in this subsection referred to as a “service area”).
 - (B) Outpatient services, including specialized outpatient services for children, the elderly, individuals with a serious mental illness, and residents of the service areas of the centers who have been discharged from inpatient treatment at a mental health facility.
 - (C) 24-hour-a-day emergency care services.
 - (D) Day treatment or other partial hospitalization services, or psychosocial rehabilitation services.
 - (E) Screening for patients being considered for admission to State mental health facilities to determine the appropriateness of such admission.
 - (2) The mental health services of the centers are provided, within the limits of the capacities of the centers, to any individual residing or employed in the service area of the center regardless of ability to pay for such services.
 - (3) The mental health services of the centers are available and accessible promptly, as appropriate and in a manner which preserves human dignity and assures continuity and high quality care.

SEC. 1914. [300x-4] STATE MENTAL HEALTH PLANNING COUNCIL.

- (a) **IN GENERAL.**—A funding agreement for a grant under section 1911 is that the State involved will establish and maintain a State mental health planning council in accordance with the conditions described in this section.
- (b) **DUTIES.**—A condition under subsection (a) for a Council is that the duties of the Council are—
- (1) to review plans provided to the Council pursuant to section 1915(a) by the State involved and to submit to the State any recommendations of the Council for modifications to the plans;
 - (2) to serve as an advocate for adults with a serious mental illness, children with a severe emotional disturbance, and other individuals with mental illnesses or emotional problems; and
 - (3) to monitor, review, and evaluate, not less than once each year, the allocation and adequacy of mental health services within the State.
- (c) **MEMBERSHIP.**—
- (1) **IN GENERAL.**—A condition under subsection (a) for a Council is that the Council be composed of residents of the State, including representatives of—
 - (A) the principal State agencies with respect to—

- (i) mental health, education, vocational rehabilitation, criminal justice, housing, and social services; and
 - (ii) the development of the plan submitted pursuant to title XIX of the Social Security Act;
- (B) public and private entities concerned with the need, planning, operation, funding, and use of mental health services and related support services;
- (C) adults with serious mental illnesses who are receiving (or have received) mental health services; and
- (D) the families of such adults or families of children with emotional disturbance.
- (2) CERTAIN REQUIREMENTS.—A condition under subsection (a) for a Council is that—
 - (A) with respect to the membership of the Council, the ratio of parents of children with a serious emotional disturbance to other members of the Council is sufficient to provide adequate representation of such children in the deliberations of the Council; and
 - (B) not less than 50 percent of the members of the Council are individuals who are not State employees or providers of mental health services.
- (d) DEFINITION.—For purposes of this section, the term “Council” means a State mental health planning council.

SEC. 1915. [300x–4] ADDITIONAL PROVISIONS.

- (a) REVIEW OF STATE PLAN BY MENTAL HEALTH PLANNING COUNCIL.—
The Secretary may make a grant under section 1911 to a State only if—
 - (1) the plan submitted under section 1912(a) with respect to the grant and the report of the State under section 1942(a) concerning the preceding fiscal year has been reviewed by the State mental health planning council under section 1914; and
 - (2) the State submits to the Secretary any recommendations received by the State from such council for modifications to the plan (without regard to whether the State has made the recommended modifications) and any comments concerning the annual report.
- (b) MAINTENANCE OF EFFORT REGARDING STATE EXPENDITURES FOR MENTAL HEALTH.—
 - (1) IN GENERAL.—A funding agreement for a grant under section 1911 is that the State involved will maintain State expenditures for community mental health services at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying for the grant.
 - (2) EXCLUSION OF CERTAIN FUNDS.—The Secretary may exclude from the aggregate State expenditures under subsection (a), funds appropriated to the principle agency for authorized activities which are of a non-recurring nature and for a specific purpose.

- (3) **WAIVER.**—The Secretary may, upon the request of a State, waive the requirement established in paragraph (1) if the Secretary determines that extraordinary economic conditions in the State justify the waiver.

(4) **NONCOMPLIANCE BY STATE.**—

(A) In making a grant under section 1911 to a State for a fiscal year, the Secretary shall make a determination of whether, for the previous fiscal year, the State maintained material compliance with the agreement made under paragraph (1). If the Secretary determines that a State has failed to maintain such compliance, the Secretary shall reduce the amount of the allotment under section 1911 for the State for the fiscal year for which the grant is being made by an amount equal to the amount constituting such failure for the previous fiscal year.

(B) The Secretary may make a grant under section 1911 for a fiscal year only if the State involved submits to the Secretary information sufficient for the Secretary to make the determination required in subparagraph (A).

SEC. 1916. [300x–5] RESTRICTIONS ON USE OF PAYMENTS.

(a) **IN GENERAL.**—A funding agreement for a grant under section 1911 is that the State involved will not expend the grant—

- (1) to provide inpatient services;
- (2) to make cash payments to intended recipients of health services;
- (3) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;
- (4) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or
- (5) to provide financial assistance to any entity other than a public or nonprofit private entity.

(b) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—A funding agreement for a grant under section 1911 is that the State involved will not expend more than 5 percent of the grant for administrative expenses with respect to the grant.

SEC. 1917. [300x–6] APPLICATION FOR GRANT.

(a) **IN GENERAL.**—For purposes of section 1911, an application for a grant under such section for a fiscal year in accordance with³ this section if, subject to subsection (b)—

- (1) the plan is received by the Secretary not later than September 1 of the fiscal year prior to the fiscal year for which a State is seeking funds, and the report from the

³ So in law. See section 201 of Public Law 102–321 (106 Stat. 384). Probably should be “is

in accordance with”.

- previous fiscal year as required under section 1941 is received by December 1 of the fiscal year of the grant;
- (2) the application contains each funding agreement that is described in this subpart or subpart III for such a grant (other than any such agreement that is not applicable to the State);
 - (3) the agreements are made through certification from the chief executive officer of the State;
 - (4) with respect to such agreements, the application provides assurances of compliance satisfactory to the Secretary;
 - (5) the application contains the plan required in section 1912(a), the information required in section 1915(b)(3)(B), and the report required in section 1942(a);
 - (6) the application contains recommendations in compliance with section 1915(a), or if no such recommendations are received by the State, the application otherwise demonstrates compliance with such section; and
 - (7) the application (including the plan under section 1912(a)) is otherwise in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subpart.
- (b) **WAIVERS REGARDING CERTAIN TERRITORIES.**—In the case of any territory of the United States except Puerto Rico, the Secretary may waive such provisions of this subpart and subpart III as the Secretary determines to be appropriate, other than the provisions of section 1916.

SEC. 1918. [300x–7] DETERMINATION OF AMOUNT OF ALLOTMENT.

(a) STATES.—

- (1) **DETERMINATION UNDER FORMULA.**—Subject to subsection (b), the Secretary shall determine the amount of the allotment required in section 1911 for a State for a fiscal year in accordance with the following formula:

$$A \left(\frac{X}{U} \right)$$

- (2) **DETERMINATION OF TERM “A”.**—For purposes of paragraph (1), the term “A” means the difference between—
 - (A) the amount appropriated under section 1920(a) for allotments under section 1911 for the fiscal year involved; and
 - (B) an amount equal to 1.5 percent of the amount referred to in subparagraph (A).
- (3) **DETERMINATION OF TERM “U”.**—For purposes of paragraph (1), the term “U” means the sum of the respective terms “X” determined for the States under paragraph (4).
- (4) **DETERMINATION OF TERM “X”.**—For purposes of paragraph (1), the term “X” means the product of—
 - (A) an amount equal to the product of—

- (i) the term “P”, as determined for the State involved under paragraph (5); and
 - (ii) the factor determined under paragraph (8) for the State; and
- (B) the greater of—
- (i) 0.4; and
 - (ii) an amount equal to an amount determined for the State in accordance with the following formula:

$$1 - .35 \left(\frac{R\%}{P\%} \right)$$

(5) DETERMINATION OF TERM “P”.—

- (A) For purposes of paragraph (4), the term “P” means the sum of—
- (i) an amount equal to the product of 0.107 and the number of individuals in the State who are between 18 and 24 years of age (inclusive);
 - (ii) an amount equal to the product of 0.166 and the number of individuals in the State who are between 25 and 44 years of age (inclusive);
 - (iii) an amount equal to the product of 0.099 and the number of individuals in the State who are between 45 and 64 years of age (inclusive); and
 - (iv) an amount equal to the product of 0.082 and the number of individuals in the State who are 65 years of age or older.
- (B) With respect to data on population that is necessary for purposes of making a determination under subparagraph (A), the Secretary shall use the most recent data that is available from the Secretary of Commerce pursuant to the decennial census and pursuant to reasonable estimates by such Secretary of changes occurring in the data in the ensuing period.

(6) DETERMINATION OF TERM “R%”.—

- (A) For purposes of paragraph (4), the term “R%”, except as provided in subparagraph (D), means the percentage constituted by the ratio of the amount determined under subparagraph (B) for the State involved to the amount determined under subparagraph (C).
- (B) The amount determined under this subparagraph for the State involved is the quotient of—
- (i) the most recent 3-year arithmetic mean of the total taxable resources of the State, as determined by the Secretary of the Treasury; divided by
 - (ii) the factor determined under paragraph (8) for the State.
- (C) The amount determined under this subparagraph is the sum of the respective amounts determined for the States under subparagraph (B) (including the District of Columbia).
- (D)

- (i) In the case of the District of Columbia, for purposes of paragraph (4), the term “R%” means the percentage constituted by the ratio of the amount determined under clause (ii) for such District to the amount determined under clause (iii).
 - (ii) The amount determined under this clause for the District of Columbia is the quotient of—
 - (I) the most recent 3-year arithmetic mean of total personal income in such District, as determined by the Secretary of Commerce; divided by
 - (II) the factor determined under paragraph (8) for the District.
 - (iii) The amount determined under this clause is the sum of the respective amounts determined for the States (including the District of Columbia) by making, for each State, the same determination as is described in clause (ii) for the District of Columbia.
- (7) DETERMINATION OF TERM “P%”.—For purposes of paragraph (4), the term “P%” means the percentage constituted by the ratio of the term “P” determined under paragraph (5) for the State involved to the sum of the respective terms “P” determined for the States.
- (8) DETERMINATION OF CERTAIN FACTOR.—
 - (A) The factor determined under this paragraph for the State involved is a factor whose purpose is to adjust the amount determined under clause (i) of paragraph (4)(A), and the amounts determined under each of subparagraphs (B)(i) and (D)(ii)(I) of paragraph (6), to reflect the differences that exist between the State and other States in the costs of providing comprehensive community mental health services to adults with a serious mental illness and to children with a serious emotional disturbance.
 - (B) Subject to subparagraph (C), the factor determined under this paragraph and in effect for the fiscal year involved shall be determined according to the methodology described in the report entitled “Adjusting the Alcohol, Drug Abuse and Mental Health Services Block Grant Allocations for Poverty Populations and Cost of Service”, dated March 30, 1990, and prepared by Health Economics Research, a corporation, pursuant to a contract with the National Institute on Drug Abuse.
 - (C) The factor determined under this paragraph for the State involved may not for any fiscal year be greater than 1.1 or less than 0.9.
 - (D)
 - (i) Not later than October 1, 1992, the Secretary, after consultation with the Comptroller General, shall in accordance with this section make a determination for each State of the factor that is to be in effect for the State under this paragraph. The factor so determined shall remain in effect through fiscal year 1994, and shall be recalculated every third fiscal year thereafter.

- (ii) After consultation with the Comptroller General, the Secretary shall, through publication in the Federal Register, periodically make such refinements in the methodology referred to in subparagraph (B) as are consistent with the purpose described in subparagraph (A).
- (b) **MINIMUM ALLOTMENTS FOR STATES.**—With respect to fiscal year 2000, and subsequent fiscal years, the amount of the allotment of a State under section 1911 shall not be less than the amount the State received under such section for fiscal year 1998.
- (c) **TERRITORIES.**—
 - (1) **DETERMINATION UNDER FORMULA.**—Subject to paragraphs (2) and (4), the amount of an allotment under section 1911 for a territory of the United States for a fiscal year shall be the product of—
 - (A) an amount equal to the amounts reserved under paragraph (3) for the fiscal year; and
 - (B) a percentage equal to the quotient of—
 - (i) the civilian population of the territory, as indicated by the most recently available data; divided by
 - (ii) the aggregate civilian population of the territories of the United States, as indicated by such data.
 - (2) **MINIMUM ALLOTMENT FOR TERRITORIES.**—The amount of an allotment under section 1911 for a territory of the United States for a fiscal year shall be the greater of—
 - (A) the amount determined under paragraph (1) for the territory for the fiscal year;
 - (B) \$50,000; and
 - (C) with respect to fiscal years 1993 and 1994, an amount equal to 20.6 percent of the amount received by the territory from allotments made pursuant to this part for fiscal year 1992.
 - (3) **RESERVATION OF AMOUNTS.**—The Secretary shall each fiscal year reserve for the territories of the United States 1.5 percent of the amounts appropriated under section 1920(a) for allotments under section 1911 for the fiscal year.
 - (4) **AVAILABILITY OF DATA ON POPULATION.**—With respect to data on the civilian population of the territories of the United States, if the Secretary determines for a fiscal year that recent such data for purposes of paragraph (1)(B) do not exist regarding a territory, the Secretary shall for such purposes estimate the civilian population of the territory by modifying the data on the territory to reflect the average extent of change occurring during the ensuing period in the population of all territories with respect to which recent such data do exist.
 - (5) **APPLICABILITY OF CERTAIN PROVISIONS.**—For purposes of subsection (a), the term “State” does not include the territories of the United States.

SEC. 1919. [300x–8] DEFINITIONS.

For purposes of this subpart:

- (1) The terms “adults with a serious mental illness” and “children with a serious emotional disturbance” have the meanings given such terms under section 1912(c)(1).

- (2) The term “funding agreement”, with respect to a grant under section 1911 to a State, means that the Secretary may make such a grant only if the State makes the agreement involved.

SEC. 1920. [300x-9] FUNDING.

- (a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, and subpart III and section 505 with respect to mental health, there are authorized to be appropriated \$450,000,000 for fiscal year 2001, and such sums as may be necessary for each of the fiscal years 2002 and 2003.
- (b) ALLOCATIONS FOR TECHNICAL ASSISTANCE, DATA COLLECTION, AND PROGRAM EVALUATION.—
- (1) IN GENERAL.—For the purpose of carrying out section 1948(a) with respect to mental health and the purposes specified in paragraphs (2) and (3), the Secretary shall obligate 5 percent of the amounts appropriated under subsection (a) for a fiscal year.
- (2) DATA COLLECTION.—The purpose specified in this paragraph is carrying out sections 505 and 1971 with respect to mental health.
- (3) PROGRAM EVALUATION.—The purpose specified in this paragraph is the conduct of evaluations of prevention and treatment programs and services with respect to mental health to determine methods for improving the availability and quality of such programs and services.