

PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

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House Bill 5298 (H-2) as reported from committee

Sponsor: Rep. Mary Whiteford

1st Committee: Health Policy

2nd Committee: Ways and Means

Complete to 9-11-20

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5298 would add a section to the Mental Health Code that would require the Department of Health and Human Services (DHHS) to establish *psychiatric residential treatment facilities* (PRTFs) for Medicaid patients under age 21, subject to appropriation of sufficient funding.

Psychiatric residential treatment facility (PRTF) would mean a facility other than a hospital that provides psychiatric services in an inpatient setting to individuals under age 21.

Under the bill, DHHS would have to select PRTF providers through a request for proposals process. Public or private providers, including those providing state-operated services, could respond to the request for proposals.

In order to be eligible for reimbursement from DHHS, a PRTF would have to meet the following requirements:

- Be certified by DHHS.
- Be accredited by the Joint Commission, Commission on Accreditation of Rehabilitation Facilities, or Council on Accreditation.
- Be enrolled in the Medicaid Management Information System.
- Any other requirements DHHS deems appropriate and necessary.

The bill would allow DHHS to establish Medicaid policy and promulgate administrative rules necessary to implement the bill.

[Note: The H-2 version of the bill is a “conflict substitute” that reflects all changes in these sections of statute that have occurred since the bill was introduced earlier in the two-year legislative session—in this case, [2020 PA 55](#) and [2020 PA 99](#). Without the conflict substitute, the changes to these sections would be effectively overturned if HB 5298 were enacted.]

MCL 330.1100b and 330.1100c and proposed MCL 330.1137a

BRIEF DISCUSSION:

According to committee testimony, the bill is intended to address the shortage of inpatient psychiatric beds for minors. The general state psychiatric bed registry, last updated September 1, 2020, lists 354 beds in the state of Michigan for children and adolescents.¹ [Bed inventories](#) are updated every other month on the DHHS website. The bill proposes a non-hospital setting for children to receive psychiatric supports in a less intense environment if they are not yet ready to return home, which, according to the bill sponsor, is an option that does not currently exist.

FISCAL IMPACT:

The fiscal impact of the bill would depend on the number of facilities that submit a request for proposal to become a psychiatric residential treatment facility and the number of requests for proposals DHHS selects to become psychiatric residential treatment facilities. The cost of the bill would also be contingent on a second legislative action to appropriate “sufficient funding” to support psychiatric residential treatment facilities.

As an example, on an ongoing basis, a 30-bed psychiatric residential treatment facility could cost an estimated \$5.4 million Gross (\$1.6 million GF/GP). It is estimated that approximately 70% of the ongoing costs would be supported with federal Medicaid and Children's Health Insurance Program (CHIP) reimbursements.

POSITIONS:

The following entities indicated support for the bill:

- Michigan Department of Health and Human Services (6-15-20)
- Michigan Psychiatric Society (7-21-20)
- Michigan Council for Maternal and Child Health (9-9-20)

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Kevin Koorstra

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

¹ https://www.michigan.gov/documents/mdhhs/PSYCHBEDINV_March_2017.xls_553341_7.pdf