

PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

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House Bill 5298 as introduced
Sponsor: Rep. Mary Whiteford
Committee: Health Policy
Complete to 6-15-20

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.

MCL 330.1100b and 330.1100c and proposed MCL 330.1137a

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.

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■ 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.