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House Bill 5165 (as passed by the House)
Sponsor: Representative Mary Whiteford
House Committee: Health Policy
Senate Committee: Health Policy and Human Services

Date Completed: 3-23-22

CONTENT

The bill would amend the Mental Health Code to modify provisions prescribing how the Department of Health and Human Services (DHHS) and community mental health services programs (CMHSPs) must determine an adult responsible party's ability to pay for certain adult inpatient psychiatric services and all services to minors.

Under Section 818 of the Code, the DHHS and CMHSPs must determine an adult responsible party's ability to pay for adult inpatient psychiatric services of less than 61 days, all nonresidential services, and all services to minors in accordance with certain requirements prescribed in the Code. The DHHS must promulgate rules to establish an ability-to-pay schedule that is fair and equitable. The schedule may take into consideration geographic cost-of-living differences. The DHHS must review the ability-to-pay schedule at least every three years and must update it as necessary.

The bill would delete these provisions.

Instead, under the bill, the DHHS and CMHSPs would have to determine an adult responsible party's ability to pay for adult inpatient psychiatric services of less than 61 days, all nonresidential services, and all services to minors in accordance with the requirements of the Federal sliding fee discount program under 42 USC 254g and related guidance. Eligibility for the sliding fee discount program would have to be based solely on family size and income in accordance with the most current Federal poverty guidelines published annually in the Federal Registrar by the United State Department of Health and Human Services under its authority to revise the poverty line.

The bill would be effective immediately. Beginning on the bill's effective date, any administrative rules promulgated under Section 818 before that date would be unenforceable. The Department would have to rescind any administrative rule promulgated under Section 818 before the bill's effective date. The Department could promulgate new administrative rules or establish policy, contract requirements, or guidance to carry out Section 818.

MCL 330.1818

BACKGROUND

Under 42 USC 254g, the following rules apply to charges for health services provided by an entity to which a National Health Service Corps (NHSC) member is assigned:

- The entity must prepare a schedule of fees or payments for its services, consistent with locally prevailing rates or charges and designed to cover the entity's reasonable cost of operation.
- The entity must prepare a corresponding schedule of discounts, including, in appropriate cases, waivers, to be applied to payments of such fees or payments.
- The entity must make every reasonable effort to secure from patient's fees and payments for services in accordance with such schedules, and fees or payments must be sufficiently discounted in accordance with the schedule of discounts.

(The NHSC is a Federal program that allows health care providers to obtain loan forgiveness or scholarships in exchange for working in a designated health professional shortage area.)

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

This bill would have a minor positive fiscal impact on State and local government. The DHHS indicates that the bill would align the "ability to pay" scale specified in the Code with Federal sliding fee scale requirements. This would allow CMHSPs to comply with and access Federal workforce recruitment programs. To the extent that the bill would encourage additional investment in workforce retention programs, State and local governments would be able to partially offset investment costs with Federal dollars.

Fiscal Analyst: Ellyn Ackerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.