

Legislative Analysis



PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

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House Bill 5298 (H-2) as referred to second committee

Sponsor: Rep. Mary Whiteford

1st Committee: Health Policy

2nd Committee: Ways and Means

Complete to 9-8-20

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. [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 (7-21-20)

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