



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 4444 (Substitute H-1 as reported without amendment)  
Sponsor: Representative Chris Afendoulis  
House Committee: Appropriations  
Senate Committee: Appropriations

### **CONTENT**

The bill would amend the Mental Health Code to adjust fees paid by psychiatric hospitals and providers of psychiatric hospital services; eliminate licensure of psychiatric partial hospitalization programs and exempt them from paying inspection fees; and establish a fee sunset of October 1, 2019.

Under current law, psychiatric hospitals are required to renew their licenses to operate every two years, and pay a fee of \$600 plus \$7.50 per bed (\$300 plus \$3.75 per bed each year). The bill would require licenses to be renewed every year, and would increase the fee to \$500 plus \$10 per bed. The bill also would remove a cap of \$5,000 on the total fee paid by a facility.

The bill also would eliminate licensure of psychiatric partial hospitalization programs, which are facilities that typically provide outpatient care, and do not fall under the Michigan Certificate of Need Commission. Under current law, these facilities pay the same fee as psychiatric hospitals; the bill would eliminate the collection of fees from these facilities.

MCL 330.1100c et al

### **FISCAL IMPACT**

In total, the bill would generate approximately \$13,300 in additional inspection fee revenue each year. This revenue is used by the Bureau of Health Care Services within the Department of Licensing and Regulatory Affairs to support the licensure and inspection of regulated facilities. Table 1 provides a more detailed breakdown of current fee levels and revenue compared to the fee levels specified in the bill.

**Table 1**

Facility Type	Fee Type	Current Law		Under H.B. 4444 (H-1)		
		Fee	Revenue	Fee	Revenue	Rev. Increase (Decrease)
Inpatient Psychiatric Prog./Hospitals	Base fee	\$300	\$17,700	\$500	\$29,500	\$11,800
	Per bed	\$3.75	\$8,666	\$10	\$23,110	\$14,444
Psychiatric Partial Hosp. Programs	Base fee	\$300	\$9,000	0	0	\$(9,000)
	Per bed	\$3.75	\$3,938	\$0	0	\$(3,938)
TOTAL	N/A	N/A	\$39,304	N/A	\$52,610	\$13,306

Date Completed: 5-27-15

Fiscal Analyst: Josh Sefton