



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4444 (Substitute H-1 as passed by the House)
Sponsor: Representative Chris Afendoulis
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 5-26-15

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

Fiscal Analyst: Josh Sefton

[S1516/s4444sa](#)

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.