



Senate Fiscal Agency
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House Bill 5298 (Substitute H-2 as passed by the House)
Sponsor: Representative Mary Whiteford
House Committee: Health Policy
 Ways and Means
Senate Committee: Health Policy and Human Services

Date Completed: 10-21-20

CONTENT

The bill would amend the Mental Health Code to require the Department of Health and Human Services (DHHS) to establish psychiatric residential treatment facilities (PRTFs) for Medicaid recipients under the age of 21 and to prescribe the criteria that a PRTF would have to meet to be eligible for reimbursement from the DHHS.

The bill would require the DHHS to establish, subject to appropriation of sufficient funding, PRTFs for Medicaid recipients under the age of 21. "Psychiatric residential treatment facility" or "PRTF" would mean a facility other than a hospital that provides psychiatric services, as described in 42 CFR 441.151 to 441.182 (which, collectively, regulate inpatient psychiatric services for individuals under age 21 in psychiatric facilities or programs), in an inpatient setting to individuals under age 21.

The Department would have to select PRTF providers through a request for proposals (RFP) process. Public or private providers, including those providing State-operated services, could respond to the RFP.

To be eligible for reimbursement from the DHHS, a PRTF would have to meet all of the following requirements:

- Be certified by the Department.
- 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 requirement the Department considered appropriate and necessary to provide PRTF services and comply with 42 CFR 441.151 to 441.182.

The Department could establish Medicaid policy and promulgate administrative rules necessary to implement the bill.

MCL 330.1100b et al.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The estimated cost of an inpatient child psychiatric bed is about \$200,000 per year. The vast majority of the individuals served in these beds would be Medicaid- or MICHild-eligible. As such, the blended State match rate for these services would be between 25% and 30%,

depending on the status of the current enhanced Medicaid match rate. Under the current enhanced Medicaid match rate, the cost to Medicaid for a facility would be about \$200,000 Gross and \$50,000 General Fund/General Purpose per occupied bed.

Fiscal Analyst: Steve Angelotti

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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.