

# HOUSE BILL NO. 5165

June 29, 2021, Introduced by Rep. Whiteford and referred to the Committee on Health Policy.

A bill to amend 1974 PA 258, entitled  
"Mental health code,"  
by amending section 818 (MCL 330.1818), as amended by 1995 PA 290.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 818. (1) The department and community mental health  
2 services programs shall determine an adult responsible party's  
3 ability to pay for adult inpatient psychiatric services of less  
4 than 61 days, all nonresidential services, and all services to  
5 minors, ~~on the basis of the adult responsible party's income in~~

1 ~~accordance with all of the following:~~ **in accordance with the**  
2 **requirements of the federal sliding fee discount program under 42**  
3 **USC 254g and related guidance. Eligibility for the sliding fee**  
4 **discount program must be based solely on family size and income in**  
5 **accordance with the most current federal poverty guidelines**  
6 **published annually in the Federal Register by the United States**  
7 **Department of Health and Human Services under its authority to**  
8 **revise the poverty line under 42 USC 9902.**

9 ~~(a) The department or community mental health services program~~  
10 ~~shall consider the adult responsible party's income to be taxable~~  
11 ~~income as set forth in the adult responsible party's most recently~~  
12 ~~filed state income tax return. If the parents of an individual, or~~  
13 ~~the individual and spouse, are members of the same household but~~  
14 ~~file separate income tax returns, the department or community~~  
15 ~~mental health services program shall add together the separate~~  
16 ~~taxable incomes to determine the ability to pay. If the parents or~~  
17 ~~the individual and spouse are not members of the same household and~~  
18 ~~they file separate tax returns, the ability to pay of each parent~~  
19 ~~or of the individual and his or her spouse shall be determined~~  
20 ~~separately.~~

21 ~~(b) If an adult responsible party has not filed a state income~~  
22 ~~tax return, the department or community mental health services~~  
23 ~~program shall determine the adult responsible party's income from~~  
24 ~~those financial documents that are legally available, based on the~~  
25 ~~same factors that determine taxable income under subdivision (a).~~

26 ~~(c) Relying upon an adult responsible party's income as~~  
27 ~~determined under subdivision (a) or (b), the department and~~  
28 ~~community mental health services programs shall determine ability~~  
29 ~~to pay based on an ability to pay schedule developed under~~

1 ~~subsection (2).~~

2 ~~(d) An adult responsible party's ability to pay for a calendar~~  
 3 ~~month or any part of a calendar month is the amount specified as~~  
 4 ~~the monthly amount in the applicable ability-to-pay schedule.~~

5 ~~(e) A parent shall not be determined to have an ability to pay~~  
 6 ~~for more than 1 individual at any 1 time, and a parent's total~~  
 7 ~~liability for 2 or more individuals shall not exceed 18 years.~~

8 ~~(f) If either parent or either spouse has been made solely~~  
 9 ~~responsible for an individual's medical and hospital expenses by a~~  
 10 ~~court order, the other parent or spouse shall be determined to have~~  
 11 ~~no ability to pay. The ability to pay of the parent or spouse made~~  
 12 ~~solely responsible by court order shall be determined in accordance~~  
 13 ~~with this section. The ability to pay of a parent made solely~~  
 14 ~~responsible by court order shall be reduced by the amount of child~~  
 15 ~~support the parent pays for the individual.~~

16 ~~(g) If an individual receives services for more than 1 year,~~  
 17 ~~the department or community mental health services program shall~~  
 18 ~~annually redetermine the adult responsible parties' ability to pay~~  
 19 ~~on the basis of the most recently filed state income tax return or~~  
 20 ~~as provided in subdivision (b).~~

21 ~~(2) The department shall promulgate rules to establish an~~  
 22 ~~ability to pay schedule that is fair and equitable. The schedule~~  
 23 ~~may take into consideration geographic cost-of-living differences.~~  
 24 ~~The department shall review the ability to pay schedule at least~~  
 25 ~~every 3 years and shall update the schedule as necessary. The~~  
 26 ~~department shall submit proposed rules under this subsection within~~  
 27 ~~6 months after the effective date of the amendatory act that added~~  
 28 ~~section 819. **The amendatory act that added this sentence is**~~  
 29 **effective immediately. Beginning on the effective date of the**

1 amendatory act that added this sentence, any administrative rules  
2 promulgated under this section before that date are unenforceable.  
3 The department shall rescind any administrative rule promulgated  
4 under this section before the effective date of the amendatory act  
5 that added this sentence. The department may promulgate new  
6 administrative rules or establish policy, contract requirements, or  
7 guidance to carry out the provisions of this section.