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Senate Bills 672 and 673 (as reported without amendment)

Sponsor: Senator Curtis S. VanderWall

Committee: Health Policy and Human Services

CONTENT

Senate Bill 672 would amend Part 222 (Certificate of Need) of the Public Health Code to modify the definitions of "change in bed capacity" and "covered clinical service".

Senate Bill 673 would amend the Mental Health Code to do the following:

- Require, as a condition of licensing, a psychiatric hospital or psychiatric unit to public patients and to maintain 50% of beds available to public patients.
- Beginning June 1, 2020, require a psychiatric hospital and psychiatric unit to submit an annual report to the Department of Health and Human Services (DHHS) as a part of the application for license renewal certain data related to total patient days of care provided and total beds available during the previous calendar year.
- Allow the DHHS to use the annual report data or a DHHS investigation to determine if a psychiatric hospital or psychiatric unit maintained 50% of beds available to public patients.

Senate Bill 673 is tie-barred to Senate Bill 672.

MCL 333.22203 (S.B. 672)
330.1100c et al. (S.B. 673)

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

Senate Bill 672 and Senate Bill 673 would exempt increases in licensed psychiatric beds from the certificate of need process and would require that a psychiatric hospital or psychiatric unit maintain 50% of available beds for public patients (defined as patients approved for mental health services by a Community Mental Health Services Program (CMHSP)).

The bills would clearly lead to an increase in the number of licensed psychiatric beds and would make more private psychiatric beds available for CMHSP clients. The costs of placing an individual in a private psychiatric hospital bed are paid by the CMHSP; however, the cost of that placement must be compared to the cost of providing services in the community. Shifting a person from community services to a private psychiatric bed likely would lead to a marginal increase in costs in the short term, but more intensive treatment would lead to lower long-term costs for services to many clients. Furthermore, the greater availability of private psychiatric beds for CMHSP clients could lead to the shifting of individuals from lengthy stays in more expensive State psychiatric facilities to shorter term placements in private beds, leading to a net savings. The research on those questions has not led to a definitive answer as to whether greater availability of private psychiatric beds increases or decreases net costs. As such, the fiscal impact of these bills is indeterminate.

Date Completed: 2-20-20

Fiscal Analyst: Steve Angelotti

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Bill Analysis @ www.senate.michigan.gov/sfa

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