

Equitable and Adequate Reimbursement Methodology for Medicaid Inpatient Psychiatric Care Report

(FY2020 Appropriation Act - Public Act 67 of 2019)

September 30, 2020

Sec. 1513. (1) *The department shall create and participate in a workgroup to determine an equitable and adequate reimbursement methodology for Medicaid inpatient psychiatric hospital care. The workgroup shall include representatives from the department, CMHSPs, PIHPs, the Michigan Association of Health Plans, the Michigan Health and Hospital Association, inpatient psychiatric facilities, Blue Cross Blue Shield of Michigan, the Community Mental Health Association of Michigan, and other individuals or organizations as determined appropriate by the department.*

(2) By September 30 of the current fiscal year, the workgroup shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on all of the following:

(a) Recommended statewide per diem rate covering professional and facility costs.

(b) A list of factors, with assigned weights, that impact the provision of care in the inpatient psychiatric hospital care and recommendations for addressing those factors. Factors must include, but are not limited to, the following:

(i) Patient severity level, based on APR-DRGs.

(ii) Patient acuity level.

(iii) Involuntary stay.

(iv) Patient violence level.

(v) Presence of a developmental disability.

(vi) Need for 1-1 care.

(vii) State bed transfer for patients awaiting transfer to a state bed.

(c) The recommended state funding level for inpatient psychiatric hospital care to ensure inpatient psychiatric hospital reimbursement is equitable across hospitals and adequately covers hospital costs.

(d) Recommendations for separate additional reimbursement for the following:

(i) High cost capital improvements including nonfunded government mandates.

(ii) Costs to bring involuntary patients to court or telecourt.

(iii) Costs to cover the required 2 weeks of medications at discharge.

(iv) Transitions of care interventions by a hospital social worker when there are additional needs above standard discharge planning.

(v) Telehealth services, including pre-admission screening on inpatient units, assessments by a nonphysician provider, and ongoing psychiatric care.

(vi) Provide funding support for emergency department stays while patients await appropriate transfer or admission.

(vii) Provide reimbursement for mental health evaluation consultations conducted by specialists in the emergency department.

(3) The department shall assist in providing data to inform the workgroup discussion, assist in modeling appropriate reimbursement methods, and assist in developing the final report.



Section 1513(2) PA 67 of 2019

Due to the COVID-19 pandemic, the key stakeholders that are essential to fulfilling this boilerplate requirement have been fully attending to the COVID-19 response. As a result, the workgroup process and deliverable under this boilerplate provision will not be completed by the boilerplate due date as the integral parties have not been able to convene for this purpose. The department will execute the necessary activities to complete the workgroup and report as required by Section 1513 of PA 166 of 2020.