Licensing a Substance Use Disorder Program in Michigan – May 3, 2017

Bureau of Community & Health Systems (BCHS)

Matt Jordan, State Licensing Manager
<table>
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**BCHS State and Federal oversight by Covered Providers**

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Who we are and what we do:

State Licensing Section of the Health Facility Licensing, Permits, and Support Division within BCHS

- State Licensing facilities:
  - 1,300 Substance Use Disorder Facilities
  - 462 Nursing Homes
  - 161 Hospice Agencies and Residences
  - 142 Freestanding Surgical Outpatient Facilities (FSOF)
  - 170 Hospitals
  - 58 Psychiatric Facilities
Who we are and what we do:

• Substance Use Disorder (SUD) facilities: approximately 1,300 in Michigan, all of which require at least state licensing to operate

• Federal certification or accreditation is optional, but must have base-line state licensing first before being certified/accredited
Who we are and what we do:

The State Licensing Section for SUD facilities has two teams: the field surveying regulation officers and the Lansing office group.

In Lansing:
- Matt Jordan, manager
- Andrea Moore, analyst
- Marcia Whitmore, support
- Trenton Gossman, regulation officer

In the field:
- Jim Hoyt
- Kelly Moore
- Ryan Schoch
How are facilities licensed?

A state licensure survey is required to be performed before a license is issued, per the Public Health Code Act 368 of 1978

- Section 333.6233 states a person not otherwise licensed to provide psychological, medical, or social services shall not establish, conduct, or maintain a substance use disorder services program unless it is licensed under this part.
- Section 333.6234 permits the Department (that’s us!) to create and administer administrative rules. These are the day-to-day rules that an SUD facility must adhere to for licensing purposes.
How are facilities licensed?

Most health facilities must go through multiple layers of review and oversight before reaching state licensing review. Our team does not begin our licensing process until an application is received and approval from the below groups is communicated.

- Certificate of Need for the issuance of new beds and/or the physical building
- Facilities Engineering for construction
- Life Safety Code
- Local ordinances, review, and inspection
- State licensing review

SUD licensing is different, since most construction, safety, and zoning code and rule approval are the responsibility of the facility. State Licensing only reviews the SUD from an operational, staffing, and procedural oversight.

- So if you need a zoning permit or fire safety clearance, that is the responsibility of the facility to achieve from their local municipalities!
How are facilities licensed?

Public Acts 59 and 104 of 2015 synchronized the survey review cycles and most of the license fees for the health facilities covered by State Licensing.

- Hospitals, Nursing Homes, Psych, Surgery Centers, Hospice, and Substance Use Disorder programs all now have the same survey review cycle:

  “At least one visit to each licensed health facility or agency every three years...”
How are facilities licensed?

At least one visit to each licensed health facility or agency every three years...

Note that this says “at least once every three years”. State Licensing could visit more often if there is a necessity to do so:

• Compliance action
• Complaint investigation
• Bad actor
• Other real and potential issues or threats
How are facilities licensed?

State Licensing for SUD facilities is moving towards a system with a pre-licensure inspection before the issuance of a new license for a new facility.

- A pre-license inspection applies to Outpatient, Inpatient, Residential, Residential Detox, and Methadone

For now, no pre-licensure inspection for CAIT and SARF
How are facilities licensed?

All health facilities licensed by State Licensing are subject to the $500 licensing fee.
All non-SUD facilities also have to pay a $2,000 application fee and any related bed tax.
How are facilities licensed?

Key point regarding licensing and triennial (at least once every three years) survey:

Licensing action and survey are now separate actions

- Licensing action occurs every year and expires July 31st of each year
- Survey is untied from licensing; it is a review of the operating requirements within the Public Health Code and the Administrative Rules
  - Also, complaint investigations are separate actions as well
State Licensing

The nine most terrifying words in the English language:

“I’m from the government and I’m here to help.”
How to prepare for a State Licensing Survey
How to prepare for a State Licensing Survey

First and foremost, review the Public Health Code and the SUD Administrative Rules
How to prepare for a State Licensing Survey

Read and review the Code and Administrative Rules. It’s that simple!

• Surveyors have prepared an informal checklist of the Code and Administrative Rules
• Often called the “Met/Not Met” checklist
How to prepare for a State Licensing Survey

Reminder: A State License is required to open and operate as a substance use disorder program
How to prepare for a State Licensing Survey

What steps we do when we come to visit for a survey:
• Entrance
• Review of survey process and methodologies
• Request for documents
• Record review
• Evaluation of postings and required notices
• Tour and overview
• Facility conditions (especially if clients spend the night)
• Policy and procedure reviews
• Interviews with administrative staff
• Exit meeting
The Future...

Coming soon...

- New forms for applications, change of ownership, name changes, address changes, and SUD rules waiver requests
- Categories without rule sets are going away. These don’t have any rule sets so there is nothing to license to with them:
  - Peer Recovery
  - Integrated Treatment
  - Early Intervention
  - Case Management
- Plus, SARF Court will just become SARF.
The Future...

Coming soon...

• Web site changes

• New SUD Administrative Rule set proposed (coming 2017 or 2018)
  • Mostly a clean-up and reorganization: all rules now as one set
  • No major changes to the overall rules or oversight
  • Modernizing language
  • Changes to the various ratios for patient and physician/nurses... no more hard numbers (ex: 1 physician for 300 patients)
Thank you for your efforts to provide quality community & health care services to Michigan residents.