

1 MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

2  
3 CERTIFICATE OF NEED (CON) REVIEW STANDARDS  
4 FOR PSYCHIATRIC BEDS AND SERVICES  
5

6 (By authority conferred on the CON Commission by Section 22215 of Act No. 368 of the Public Acts of  
7 1978, as amended, and Sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being  
8 Sections 333.22215, 24.207 and 24.208 of the Michigan Compiled Laws).

9  
10 **Section 1. Applicability**

11  
12 Sec. 1. These standards are requirements for the approval under Part 222 of the Code that involve  
13 (a) beginning operation of a new psychiatric service, (b) replacing licensed psychiatric beds or physically  
14 relocating licensed psychiatric beds from one licensed site to another geographic location, or (c)  
15 increasing licensed psychiatric beds within a psychiatric hospital or unit licensed under the Mental Health  
16 Code, 1974 PA 258, or (d) acquiring a psychiatric service pursuant to Part 222 of the Code. A psychiatric  
17 hospital or unit is a covered health facility. The Department shall use these standards in applying Section  
18 22225(1) of the Code, being Section 333.22225(1) of the Michigan Compiled Laws and Section  
19 22225(2)(c) of the code, being Section 333.22225(2)(c) of the Michigan Compiled Laws.  
20

21 (2) An increase in licensed hospital beds is a change in bed capacity for purposes of Part 222 of the  
22 Code.  
23

24 (3) The physical relocation of hospital beds from a licensed site to another geographic location is a  
25 change in bed capacity for purposes of Part 222 of the Code.  
26

27 **Section 2. Definitions**

28  
29 Sec. 2. (1) For purposes of these standards:  
30

31 (a) "Acquisition of a psychiatric hospital or unit" means the issuance of a new license as the result of  
32 the acquisition (including purchase, lease, donation, or other comparable arrangement) of an existing  
33 licensed psychiatric hospital or unit and which does not involve a change in the number of licensed  
34 psychiatric beds at that health facility.

35 (b) "Adult" means any individual aged 18 years or older.

36 (c) "Base year" means the most recent year for which verifiable data are collected by the Department  
37 and are available separately for the population age cohorts of 0 to 17 and 18 and older. "AVERAGE  
38 OCCUPANCY RATE" IS CALCULATED AS FOLLOWS:

39 (i) CALCULATE THE NUMBER OF PATIENT DAYS DURING THE MOST RECENT,  
40 CONSECUTIVE 12-MONTH PERIOD, AS OF THE DATE OF THE APPLICATION, FOR WHICH  
41 VERIFIABLE DATA ARE AVAILABLE TO THE DEPARTMENT.

42 (ii) CALCULATE THE TOTAL LICENSED BED DAYS FOR THE SAME 12-MONTH PERIOD AS IN  
43 (i) ABOVE BY MULTIPLYING THE TOTAL LICENSED BEDS BY THE NUMBER OF DAYS THEY WERE  
44 LICENSED.

45 (iii) DIVIDE THE NUMBER OF PATIENT DAYS CALCULATED IN (i) ABOVE BY THE TOTAL  
46 LICENSED BED DAYS CALCULATED IN (ii) ABOVE. THEN MULTIPLY THE RESULT BY 100.

47 (d) "Certificate of Need Commission" or "Commission" means the Commission created pursuant to  
48 Section 22211 of the Code, being Section 333.22211 of the Michigan Compiled Laws.

49 (e) "Child/adolescent" means any individual less than 18 years of age.

50 (f) "Code" means Act No. 368 of the Public Acts of 1978, as amended, being Section 333.1101 et  
51 seq. of the Michigan Compiled Laws.

52 (g) "Community mental health board" or "board" or "CMH" means the board of a county(s)  
53 community mental health board as referenced in the provisions of MCL 330.1200 to 330.1246.

54 (h) "Comparative group" means the applications which have been grouped for the same type of  
55 project in the same planning area or statewide special population group and are being reviewed  
56 comparatively in accordance with the CON rules.

57 (i) "Department" means the Michigan Department of Health and Human Services (MDHHS).

58 (j) "Department inventory of beds" means the current list maintained for each planning area on a  
59 continuing basis by the Department which includes:

60 (i) licensed adult and child/adolescent psychiatric beds; and  
61 (ii) adult and child/adolescent psychiatric beds approved by a valid CON, which are not yet licensed.  
62 A separate inventory will be maintained for child/adolescent beds and adult beds.

63 (k) "Existing adult inpatient psychiatric beds" or "existing adult beds" means:

64 (i) all adult beds in psychiatric hospitals or units licensed by the Department pursuant to the Mental  
65 Health Code;  
66 (ii) all adult beds approved by a valid CON, which are not yet licensed;  
67 (iii) proposed adult beds under appeal from a final Department decision, or pending a hearing from a  
68 proposed decision; and  
69 (iv) proposed adult beds that are part of a completed application (other than the application or  
70 applications in the comparative group under review) which are pending final Department decision.

71 (l) "Existing child/adolescent inpatient psychiatric beds" or "existing child/adolescent beds" means:

72 (i) all child/adolescent beds in psychiatric hospitals or units licensed by the Department pursuant to  
73 the Mental Health Code;  
74 (ii) all child/adolescent beds approved by a valid CON, which are not yet licensed;  
75 (iii) proposed child/adolescent beds under appeal from a final Department decision, or pending a  
76 hearing from a proposed decision; and  
77 (iv) proposed child/adolescent beds that are part of a completed application (other than the  
78 application or applications in the comparative group under review) which are pending final Department  
79 decision.

80 (m) "Flex bed" means an existing adult psychiatric bed converted to a child/adolescent psychiatric  
81 bed in an existing child/adolescent psychiatric service to accommodate during peak periods and meet  
82 patient demand.

83 (n) "Initiation of service" means the establishment of an inpatient psychiatric unit with a specified  
84 number of beds at a site not currently providing psychiatric services.

85 (o) "Involuntary commitment status" means a hospital admission effected pursuant to the provisions  
86 of MCL 330.1423 to 330.1429.

87 (p) "Licensed site" means the location of the facility authorized by license and listed on that  
88 licensee's certificate of licensure.

89 (q) "Medicaid" means title XIX of the Social Security Act, chapter 531, 49 Stat. 620, 1396 to 1396g  
90 and 1396i to 1396u.

91 (r) "Mental Health Code" means Act 258 of the Public Acts of 1974, as amended, being Sections  
92 330.1001 to 330.2106 of the Michigan Compiled Laws.

93 (s) "Mental health professional" means an individual who is trained and experienced in the area of  
94 mental illness or developmental disabilities and who is any 1 of the following:

95 (i) a physician who is licensed to practice medicine or osteopathic medicine and surgery in Michigan  
96 and who has had substantial experience with mentally ill, mentally retarded, or developmentally disabled  
97 clients for 1 year immediately preceding his or her involvement with a client under administrative rules  
98 promulgated pursuant to the Mental Health Code;  
99 (ii) a psychologist who is licensed in Michigan pursuant to the provisions of MCL 333.16101 to  
100 333.18838;  
101 (iii) a licensed master's social worker licensed in Michigan Pursuant to the provisions of MCL  
102 333.16101 to 333.18838;  
103 (iv) a registered nurse who is licensed in Michigan pursuant to the provisions of MCL 333.16101 to  
104 333.18838;  
105 (v) a licensed professional counsel or licensed in Michigan pursuant to the provisions of MCL  
106 333.16101 to 333.18838;

107 (vi) a marriage and family therapist licensed in Michigan pursuant to the provisions of MCL  
108 333.16101 to 333.18838;

109 (vii) a professional person, other than those defined in the administrative rules promulgated pursuant  
110 to the Mental Health Code, who is designated by the Director of the Department or a director of a facility  
111 operated by the Department in written policies and procedures. This mental health professional shall  
112 have a degree in his or her profession and shall be recognized by his or her respective professional  
113 association as being trained and experienced in the field of mental health. The term does not include  
114 non-clinical staff, such as clerical, fiscal or administrative personnel.

115 (t) "Mental health service" means the provision of mental health care in a protective environment  
116 with mental illness or mental retardation, including, but not limited to, chemotherapy and individual and  
117 group therapies pursuant to MCL 330.2001.

118 (u) "Non-renewal or revocation of license" means the Department did not renew or revoked the  
119 psychiatric hospital's or unit's license based on the hospital's or unit's failure to comply with state licensing  
120 standards.

121 (v) "Non-renewal or termination of certification" means the psychiatric hospital's or unit's Medicare  
122 and/or Medicaid certification was terminated or not renewed based on the hospital's or unit's failure to  
123 comply with Medicare and/or Medicaid participation requirements.

124 (w) "Offer" means to provide inpatient psychiatric services to patients.

125 (x) "Physician" means an individual licensed in Michigan to engage in the practice of medicine or  
126 osteopathic medicine and surgery pursuant to MCL 333.16101 to 333.18838.

127 (y) "Planning area" means the geographic boundaries of the groups of counties shown in Section  
128 4716.

129 (z) "Planning year" means a year in the future, at least 3 years but no more than 7 years, for which  
130 inpatient psychiatric bed needs are developed. The planning year shall be a year for which official  
131 population projections from the Department of Technology, Management and Budget or its designee are  
132 available.

133 (aa) "Psychiatric hospital" means an inpatient program operated by the Department for the treatment  
134 of individuals with serious mental illness or serious emotional disturbance or a psychiatric hospital or  
135 psychiatric unit licensed under pursuant to MCL 330.1137.

136 (bb) "Psychiatrist" means 1 or more of the following, pursuant to MCL 330.1100c:

137 (i) a physician who has completed a residency program in psychiatry approved by the Accreditation  
138 Council for Graduate Medical Education or The American Osteopathic Association, or who has completed  
139 12 months of psychiatric rotation and is enrolled in an approved residency program;

140 (ii) a psychiatrist employed by or under contract with the Department or a community health services  
141 program on March 28, 1996;

142 (iii) a physician who devotes a substantial portion of his or her time to the practice of psychiatry and  
143 is approved by the Director.

144 (cc) "Psychiatric unit" means a unit of a general hospital that provides inpatient services for individuals  
145 with serious mental illness or serious emotional disturbances pursuant to MCL 330.1100c.

146 (dd) "Psychologist" means an individual licensed to engage in the practice of psychology, who devotes  
147 a substantial portion of his or her time to the diagnosis and treatment of individuals with serious mental  
148 illness, serious emotional disturbance, or developmental disability, pursuant to MCL 333.16101 to  
149 333.18838.

150 (ee) "Public patient" means an individual approved for mental health services by a CMH or an  
151 individual who is admitted as a patient under the Mental Health Code, Act No. 258 of the Public Acts of  
152 1974, being Sections 330.1423, 330.1429, and 330.1438 of the Michigan Compiled Laws.

153 (ff) "Qualifying project" means each application in a comparative group which has been reviewed  
154 individually and has been determined by the Department to have satisfied all of the requirements of  
155 Section 22225 of the Code, being Section 333.22225 of the Michigan Compiled Laws, and all other  
156 applicable requirements for approval in the Code and these standards.

157 (gg) "Registered professional nurse" or "R.N." means an individual licensed in Michigan pursuant to  
158 the provisions of MCL 333.16101 to 333.18838.

159 (hh) "Relocate existing licensed inpatient psychiatric beds" means a change in the location of existing  
160 inpatient psychiatric beds from the existing licensed psychiatric hospital site to a different existing  
161 licensed psychiatric hospital site within the same planning area. This definition does not apply to projects  
162 involving replacement beds in a psychiatric hospital or unit governed by Section 7-6 of these standards.

163 (ii) "Replace beds" means a change in the location of the licensed psychiatric hospital or unit, or the  
164 replacement of a portion of the licensed beds at the same licensed site. The beds will be in new physical  
165 plant space being developed in new construction or in newly acquired space (purchase, lease, donation,  
166 etc.) within the replacement zone.

167 (jj) "Replacement zone" means a proposed licensed site that is:

168 (i) in the same planning area as the existing licensed site; and

169 (ii) on the same site, on a contiguous site, or on a site within 15 miles of the existing licensed site.

170 (kk) "Social worker" means an individual registered in Michigan to engage in social work under the  
171 provisions of MCL 333.18501.

172  
173 (2) The terms defined in the Code have the same meanings when used in these standards.  
174

### 175 Section 3. Determination of needed inpatient psychiatric bed supply

176  
177 ~~Sec. 3. (1) Until changed by the Commission in accordance with Section 5, the use rate for the base~~  
178 ~~year for the population age 0-17 is set forth in Appendix B.~~

179  
180 ~~—(2)The number of child/adolescent inpatient psychiatric beds needed in a planning area shall be~~  
181 ~~determined by the following formula:~~

182 ~~—(a)Determine the population for the planning year for each separate planning area for the population~~  
183 ~~age 0-17.~~

184 ~~—(b)Multiply the population by the use rate established in Appendix B. The resultant figure is the total~~  
185 ~~patient days.~~

186 ~~—(c)Divide the total patient days obtained in subsection (b) by 365 (or 366 for leap years) to obtain the~~  
187 ~~projected average daily census (ADC).~~

188 ~~—(d)Divide the ADC by 0.75.~~

189 ~~—(e)For each planning area, all psychiatric hospitals or units with an average occupancy of 60% or less~~  
190 ~~for the previous 24 months will have the ADC, for the previous 24 months, multiplied by 1.7. The net~~  
191 ~~decrease from the current licensed beds will give the number to be added to the bed need.~~

192 ~~—(f)The adjusted bed need for the planning area is the sum of the results of subsections (d) and (e).~~  
193 ~~round up to the nearest whole number.~~

194  
195 ~~—(3)The number of needed adult inpatient psychiatric beds shall be determined by multiplying the~~  
196 ~~population aged 18 years and older for the planning year for each planning area by either:~~

197 ~~—(a)The ratio of adult beds per 10,000 adult population set forth in Appendix A; or~~

198 ~~—(b)The statewide ratio of adult beds per 10,000 adult population set forth in Appendix A, whichever is~~  
199 ~~lower; and dividing the result by 10,000. If the ratio set forth in Appendix A for a specific planning area is~~  
200 ~~"0", the statewide ratio of adult beds per 10,000 adult population shall be used to determine the number of~~  
201 ~~needed adult inpatient psychiatric beds.~~

202 ~~—(c)For each planning area, an addition to the bed need will be made for low occupancy facilities. All~~  
203 ~~psychiatric hospitals or units with an average occupancy of 60% or less for the previous 24 months will~~  
204 ~~have the ADC, for the previous 24 months, multiplied by 1.5. The net decrease from the current licensed~~  
205 ~~beds will give the number to be added to the bed need.~~

206 ~~—(d) The adjusted bed need for the planning area is the sum of the results of subsections (b)~~  
207 ~~and (c). THE NUMBER OF CHILD/ADOLESCENT INPATIENT PSYCHIATRIC BEDS NEEDED IN A~~  
208 ~~PLANNING AREA SHALL BE DETERMINED BY THE FOLLOWING FORMULA:~~

209 ~~(a) TABULATE THE YEARLY NUMBER OF CHILD/ADOLESCENT PATIENT DAYS FOR THE~~  
210 ~~MOST RECENT FIVE YEARS OF DATA FROM THE CON ANNUAL SURVEY.~~

211 ~~(b) CONSTRUCT A LINEAR REGRESSION MODEL WITH YEAR AS THE INDEPENDENT~~

212 VARIABLE AND YEARLY PATIENT DAYS AS THE DEPENDENT VARIABLE. IF THE COEFFICIENT  
213 OF DETERMINATION ( $R^2$ ) OF THE LINEAR MODEL IS 0.5 OR GREATER, USE THE REGRESSION  
214 PARAMETERS TO PREDICT THE STATEWIDE PATIENT DAYS IN THE PLANNING YEAR. IF THE  
215 COEFFICIENT OF DETERMINATION OF THE LINEAR MODEL IS LESS THAN 0.5, CALCULATE THE  
216 STATEWIDE PATIENT DAYS IN THE PLANNING YEAR BY TAKING THE MEAN OF THE MOST  
217 RECENT THREE YEARS OF DATA.

218 (c) DIVIDE THE TOTAL PATIENT DAYS OBTAINED IN SUBSECTION (B) BY THE STATEWIDE  
219 PLANNING YEAR POPULATION AGE 0-17. THE RESULT IS THE UTILIZATION RATE FOR THE  
220 POPULATION AGE 0-17 IN THE PLANNING YEAR.

221 (d) MULTIPLY THE UTILIZATION RATE OBTAINED IN SUBSECTION (C) BY THE PLANNING  
222 YEAR POPULATION AGE 0-17 IN EACH PLANNING AREA. THE RESULT IS THE UNADJUSTED  
223 NUMBER OF CHILD/ADOLESCENT PATIENT DAYS FOR EACH PLANNING AREA IN THE PLANNING  
224 YEAR.

225 (e) USING THE MOST RECENT DATA FROM THE DEPARTMENT INVENTORY OF BEDS,  
226 CALCULATE THE AVERAGE NUMBER OF LICENSED CHILD/ADOLESCENT BEDS PER FACILITY  
227 FOR EACH PLANNING AREA.

228 (f) FOR PLANNING AREAS WITH AN AVERAGE NUMBER OF BEDS PER FACILITY LESS THAN  
229 20, DIVIDE THE UNADJUSTED PLANNING AREA PATIENT DAYS BY 0.65. FOR PLANNING AREAS  
230 WITH AN AVERAGE NUMBER OF BEDS PER FACILITY OF 20 OR MORE, DIVIDE THE  
231 UNADJUSTED PLANNING AREA PATIENT DAYS BY 0.70. THE RESULT IS THE OCCUPANCY-  
232 ADJUSTED NUMBER OF CHILD/ADOLESCENT PATIENT DAYS FOR EACH PLANNING AREA IN THE  
233 PLANNING YEAR.

234 (g) FOR EACH PLANNING AREA, DIVIDE THE OCCUPANCY-ADJUSTED NUMBER OF  
235 CHILD/ADOLESCENT PATIENT DAYS FROM (F) BY 365 (OR 366 FOR LEAP YEARS). ROUND THE  
236 VALUES UP TO THE NEAREST WHOLE NUMBER. THE RESULT IS CHILD/ADOLESCENT BED  
237 NEED IN THE PLANNING YEAR.

238

239 (2) THE NUMBER OF ADULT INPATIENT PSYCHIATRIC BEDS NEEDED IN A PLANNING AREA  
240 SHALL BE DETERMINED BY THE FOLLOWING FORMULA:

241 (a) TABULATE THE YEARLY NUMBER OF ADULT PATIENT DAYS FOR THE MOST RECENT  
242 FIVE YEARS OF DATA FROM THE CON ANNUAL SURVEY.

243 (b) CONSTRUCT A LINEAR REGRESSION MODEL WITH YEAR AS THE INDEPENDENT  
244 VARIABLE AND YEARLY PATIENT DAYS AS THE DEPENDENT VARIABLE. IF THE COEFFICIENT  
245 OF DETERMINATION ( $R^2$ ) OF THE LINEAR MODEL IS 0.5 OR GREATER, USE THE REGRESSION  
246 PARAMETERS TO PREDICT THE STATEWIDE PATIENT DAYS IN THE PLANNING YEAR. IF THE  
247 COEFFICIENT OF DETERMINATION OF THE LINEAR MODEL IS LESS THAN 0.5, CALCULATE THE  
248 STATEWIDE PATIENT DAYS IN THE PLANNING YEAR BY TAKING THE MEAN OF THE MOST  
249 RECENT THREE YEARS OF DATA.

250 (c) DIVIDE THE TOTAL PATIENT DAYS OBTAINED IN SUBSECTION (B) BY THE STATEWIDE  
251 PLANNING YEAR POPULATION AGE 18+. THE RESULT IS THE UTILIZATION RATE FOR THE  
252 POPULATION AGE 18+ IN THE PLANNING YEAR.

253 (d) MULTIPLY THE UTILIZATION RATE OBTAINED IN SUBSECTION (C) BY THE PLANNING  
254 YEAR POPULATION AGE 18+ IN EACH PLANNING AREA. THE RESULT IS THE UNADJUSTED  
255 NUMBER OF ADULT PATIENT DAYS FOR EACH PLANNING AREA IN THE PLANNING YEAR.

256 (e) USING THE MOST RECENT DATA FROM THE DEPARTMENT INVENTORY OF BEDS,  
257 CALCULATE THE AVERAGE NUMBER OF LICENSED ADULT BEDS PER FACILITY FOR EACH  
258 PLANNING AREA.

259 (f) FOR PLANNING AREAS WITH AN AVERAGE NUMBER OF BEDS PER FACILITY LESS THAN  
260 20, DIVIDE THE UNADJUSTED PLANNING AREA PATIENT DAYS BY 0.65. FOR PLANNING AREAS  
261 WITH AN AVERAGE NUMBER OF BEDS PER FACILITY OF 20 OR MORE, DIVIDE THE  
262 UNADJUSTED PLANNING AREA PATIENT DAYS BY 0.70. THE RESULT IS THE OCCUPANCY-  
263 ADJUSTED NUMBER OF ADULT PATENT DAYS FOR EACH PLANNING AREA IN THE PLANNING  
264 YEAR.

265 (g) FOR EACH PLANNING AREA, DIVIDE THE OCCUPANCY-ADJUSTED NUMBER OF ADULT  
266 PATIENT DAYS FROM (F) BY 365 (OR 366 FOR LEAP YEARS). ROUND THE VALUES UP TO THE  
267 NEAREST WHOLE NUMBER. THE RESULT IS ADULT BED NEED IN THE PLANNING YEAR.

268  
269 **Section 4. Bed need for inpatient psychiatric beds**  
270

271 Sec. 4. (1) The bed need numbers determined pursuant to Section 3 shall apply to projects subject to  
272 review under these standards, except where a specific CON review standard states otherwise.

273  
274 (2) The Department shall apply the bed need methodologies in Section 3 on a biennial basis.

275  
276 (3) The effective date of the bed need numbers shall be established by the Commission.

277  
278 (4) New bed need numbers shall supercede previous bed need numbers and shall be posted on the  
279 State of Michigan CON web site as part of the Psychiatric Bed Inventory.

280  
281 (5) Modifications made by the Commission pursuant to this Section shall not require Standard  
282 Advisory Committee action, a public hearing, or submittal of the standard to the Legislature and the  
283 Governor in order to become effective.

284  
285 **Section 5. ~~Modification of the child/adolescent use rate by changing the base year~~**  
286

287 ~~Sec. 5. (1) The Commission may modify the base year based on data obtained from the Department~~  
288 ~~and presented to the Commission. The Department shall calculate the use rate for the population age 0-~~  
289 ~~17 and biennially present the revised use rate based on the most recent base year information available~~  
290 ~~biennially to the CON Commission.~~

291  
292 ~~(2) The Commission shall establish the effective date of the modifications made pursuant to~~  
293 ~~subsection (1).~~

294  
295 ~~(3) Modifications made by the Commission pursuant to subsection (1) shall not require Standard~~  
296 ~~Advisory Committee action, a public hearing, or submittal of the standard to the Legislature and the~~  
297 ~~Governor in order to become effective.~~

298  
299 **Section 6. Requirements for approval to initiate service**  
300

301 **Sec. 65.** An applicant proposing the initiation of an adult or child/adolescent psychiatric service shall  
302 demonstrate or provide the following:

303  
304 (1) The number of beds proposed in the CON application shall not result in the number of existing  
305 adult or child/adolescent psychiatric beds, as applicable, in the planning area exceeding the bed need.  
306 However, an applicant may request and be approved for up to a maximum of 10 beds if, when the total  
307 number of existing adult beds or existing child/adolescent beds is subtracted from the bed need for the  
308 planning area, the difference is equal to or more than 1 or less than 10.

309  
310 (2) A written recommendation, from the Department or the CMH that serves the county in which the  
311 proposed beds or service will be located, shall include an agreement to enter into a contract to meet the  
312 needs of the public patient. At a minimum, the letter of agreement shall specify the number of beds to be  
313 allocated to the public patient and the applicant's intention to serve patients with an involuntary  
314 commitment status.

315  
316 (3) The number of beds proposed in the CON application to be allocated for use by public patients  
317 shall not be less than 50% of the beds proposed in the CON application. Applications proposed in direct



318 response to a Department plan pursuant to subsection (5) shall allocate not less than 80% of the beds  
319 proposed in the CON application.  
320

321 (4) The minimum number of beds in a psychiatric unit shall be at least 10 beds. If a psychiatric unit  
322 has or proposes to operate both adult and child/adolescent beds, each unit shall have a minimum of 10  
323 beds. The Department may approve an application for a unit of less than 10 beds, if the applicant  
324 demonstrates to the satisfaction of the Department, that travel time to existing units would significantly  
325 limit access to care.  
326

327 (5) An applicant shall not be required to be in compliance with subsection (1) if the applicant  
328 demonstrates that the application meets both of the following:

329 (a) The Director of the Department determines that an exception to subsection (1) should be made  
330 and certifies in writing that the proposed project is a direct response to a Department plan for reducing the  
331 use of public institutions for acute mental health care through the closure of a state-owned psychiatric  
332 hospital; and

333 (b) The proposed beds will be located in the area currently served by the public institution that will be  
334 closed, as determined by the Department.  
335

### 336 **Section 76. Requirements for approval to replace beds**

337

338 **Sec. 76. An applicant proposing to replace beds shall not be required to be in compliance with the**  
339 **needed bed supply if the applicant demonstrates all of the following:**  
340

341 (1) The applicant shall specify whether the proposed project is to replace the existing licensed  
342 psychiatric hospital or unit to a new site or to replace a portion of the licensed psychiatric beds at the  
343 existing licensed site.  
344

345 (2) The proposed licensed site is in the replacement zone.  
346

347 (3) Not less than 50% of the beds proposed to be replaced shall be allocated for use by public  
348 patients.  
349

350 (4) Previously made commitments, if any, to the Department or CMH to serve public patients have  
351 been fulfilled.  
352

353 (5) Proof of current contract or documentation of contract renewal, if current contract is under  
354 negotiation, with the CMH or its designee that serves the planning area in which the proposed beds or  
355 service will be located.  
356

357 **(6) THE APPLICANT SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS, AS**  
358 **APPLICABLE:**

359 **(a) THE EXISTING PSYCHIATRIC HOSPITAL OR UNIT SHALL HAVE AN AVERAGE**  
360 **OCCUPANCY RATE OF AT LEAST 60% FOR ADULT BEDS AND 40% FOR CHILD/ADOLESCENT**  
361 **BEDS.**

362 **(b) IF THE AVERAGE OCCUPANCY RATE FOR THE EXISTING PSYCHIATRIC HOSPITAL OR**  
363 **UNIT IS BELOW 60% FOR ADULT BEDS OR 40% FOR CHILD/ADOLESCENT BEDS, THEN THE**  
364 **APPLICANT PSYCHIATRIC HOSPITAL OR UNIT SHALL REDUCE THE APPROPRIATE NUMBER OF**  
365 **LICENSED BEDS TO ACHIEVE AN AVERAGE ANNUAL OCCUPANCY RATE OF AT LEAST 60% FOR**  
366 **ADULT BEDS OR 40% FOR CHILD/ADOLESCENT BEDS. THE APPLICANT PSYCHIATRIC**  
367 **HOSPITAL OR UNIT SHALL NOT EXCEED THE NUMBER OF BEDS CALCULATED AS FOLLOWS:**

368 **(i) FOR ADULT BEDS, AS OF THE DATE OF THE APPLICATION, CALCULATE THE NUMBER**  
369 **OF PATIENT DAYS DURING THE MOST RECENT, CONSECUTIVE 36-MONTH PERIOD WHERE**  
370 **VERIFIABLE DATA IS AVAILABLE TO THE DEPARTMENT, AND DIVIDE BY .60.**

371 (ii) DIVIDE THE RESULT OF SUBSECTION (i) ABOVE BY 1095 (OR 1096 IF THE 36-MONTH  
372 PERIOD INCLUDES A LEAP YEAR) AND ROUND UP TO THE NEXT WHOLE NUMBER OR 10,  
373 WHICHEVER IS LARGER. THIS IS THE MAXIMUM NUMBER OF BEDS THAT CAN BE LICENSED AT  
374 THE EXISTING LICENSED PSYCHIATRIC HOSPITAL OR UNIT SITE AFTER REPLACEMENT.

375 (iii) FOR CHILD/ADOLESCENT BEDS, AS OF THE DATE OF THE APPLICATION, CALCULATE  
376 THE NUMBER OF PATIENT DAYS DURING THE MOST RECENT, CONSECUTIVE 36-MONTH  
377 PERIOD WHERE VERIFIABLE DATA IS AVAILABLE TO THE DEPARTMENT, AND DIVIDE BY .40.

378 (iv) DIVIDE THE RESULT OF SUBSECTION (iii) ABOVE BY 1095 (OR 1096 IF THE 36-MONTH  
379 PERIOD INCLUDES A LEAP YEAR) AND ROUND UP TO THE NEXT WHOLE NUMBER OR 10,  
380 WHICHEVER IS LARGER. THIS IS THE MAXIMUM NUMBER OF BEDS THAT CAN BE LICENSED AT  
381 THE EXISTING LICENSED PSYCHIATRIC HOSPITAL OR UNIT SITE AFTER REPLACEMENT.

382  
383 **Section 87. Requirements for approval of an applicant proposing to relocate existing licensed**  
384 **inpatient psychiatric beds**

385  
386 **Sec. 87. (1)** The proposed project to relocate beds, under this section, shall constitute a  
387 change in bed capacity under Section 1(3) of these standards.

388  
389 (2) Any existing licensed inpatient psychiatric hospital or unit may relocate all or a portion of its beds  
390 to another existing licensed inpatient psychiatric hospital or unit located within the same planning area.

391  
392 (3) The inpatient psychiatric hospital or unit from which the beds are being relocated, and the  
393 inpatient psychiatric hospital or unit receiving the beds, shall not require any ownership relationship.

394  
395 (4) The relocated beds shall be licensed to the receiving inpatient psychiatric hospital or unit and will  
396 be counted in the inventory for the applicable planning area.

397  
398 (5) The relocation of beds under this section shall not be subject to a mileage limitation.

399  
400 (6) The relocation of beds under this section shall not result in initiation of a new adult or  
401 child/adolescent service except for an existing adult inpatient psychiatric service requesting to initiate a  
402 child/adolescent inpatient psychiatric service in an overbedded child/adolescent planning area pursuant to

403 **Section 98(11).**

404  
405 **(7) THE APPLICANT SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS, AS**  
406 **APPLICABLE:**

407 **(a) THE SOURCE PSYCHIATRIC HOSPITAL OR UNIT SHALL HAVE AN AVERAGE OCCUPANCY**  
408 **RATE OF AT LEAST 60% FOR ADULT BEDS AND 40% FOR CHILD/ADOLESCENT BEDS.**

409 **(b) IF THE SOURCE PSYCHIATRIC HOSPITAL OR UNIT DOES NOT HAVE AN AVERAGE**  
410 **OCCUPANCY RATE OF AT LEAST 60% FOR ADULT BEDS AND 40% FOR CHILD/ADOLESCENT**  
411 **BEDS, THEN THE SOURCE PSYCHIATRIC HOSPITAL OR UNIT SHALL REDUCE THE**  
412 **APPROPRIATE NUMBER OF LICENSED BEDS TO ACHIEVE AN AVERAGE OCCUPANCY RATE OF**  
413 **AT LEAST 60% FOR ADULT BEDS AND 40% FOR CHILD/ADOLESCENT BEDS UPON COMPLETION**  
414 **OF THE RELOCATION(S). THE SOURCE PSYCHIATRIC HOSPITAL OR UNIT SHALL NOT EXCEED**  
415 **THE NUMBER OF BEDS CALCULATED AS FOLLOWS:**

416 **(i) FOR ADULT BEDS, AS OF THE DATE OF THE APPLICATION, CALCULATE THE NUMBER**  
417 **OF PATIENT DAYS DURING THE MOST RECENT, CONSECUTIVE 36-MONTH PERIOD WHERE**  
418 **VERIFIABLE DATA IS AVAILABLE TO THE DEPARTMENT, AND DIVIDE BY .60.**

419 **(ii) DIVIDE THE RESULT OF SUBSECTION (i) ABOVE BY 1095 (OR 1096 IF THE 36-MONTH**  
420 **PERIOD INCLUDES A LEAP YEAR) AND ROUND UP TO THE NEXT WHOLE NUMBER OR 10,**  
421 **WHICHEVER IS LARGER. THIS IS THE MAXIMUM NUMBER OF BEDS THAT CAN BE LICENSED AT**  
422 **THE SOURCE PSYCHIATRIC HOSPITAL OR UNIT SITE AFTER THE RELOCATION.**



423 (iii) FOR CHILD/ADOLESCENT BEDS, AS OF THE DATE OF THE APPLICATION, CALCULATE  
424 THE NUMBER OF PATIENT DAYS DURING THE MOST RECENT, CONSECUTIVE 36-MONTH  
425 PERIOD WHERE VERIFIABLE DATA IS AVAILABLE TO THE DEPARTMENT, AND DIVIDE BY .40.

426 (iv) DIVIDE THE RESULT OF SUBSECTION (iii) ABOVE BY 1095 (OR 1096 IF THE 36-MONTH  
427 PERIOD INCLUDES A LEAP YEAR) AND ROUND UP TO THE NEXT WHOLE NUMBER OR 10,  
428 WHICHEVER IS LARGER. THIS IS THE MAXIMUM NUMBER OF BEDS THAT CAN BE LICENSED AT  
429 THE SOURCE PSYCHIATRIC HOSPITAL OR UNIT SITE AFTER THE RELOCATION.

430  
431 (4) A SOURCE HOSPITAL SHALL APPLY FOR MULTIPLE RELOCATIONS ON THE SAME  
432 APPLICATION DATE, AND THE APPLICATIONS CAN BE COMBINED TO MEET THE CRITERIA OF  
433 (7)(b) ABOVE. A SEPARATE APPLICATION SHALL BE SUBMITTED FOR EACH PROPOSED  
434 RELOCATION.

### 435 436 **Section 98. Requirements for approval to increase beds**

437  
438 **Sec. 98.** An applicant proposing an increase in the number of adult or child/adolescent beds shall  
439 demonstrate or provide the following:

440  
441 (1) AN APPLICANT PROPOSING NEW BEDS IN A PSYCHIATRIC HOSPITAL OR UNIT, EXCEPT  
442 AN APPLICANT MEETING THE REQUIREMENTS OF SUBSECTION (3), (9), or (10) SHALL  
443 DEMONSTRATE THAT ~~t~~he number of beds proposed in the CON application will not result in the  
444 number of existing adult or child/adolescent psychiatric beds, as applicable, in the planning area  
445 exceeding the bed need. However, an applicant may request and be approved for up to a maximum of  
446 10 beds if, when the total number of existing adult beds or existing child/adolescent beds is subtracted  
447 from the bed need for the planning area, the difference is equal to or more than 1 or less than 10.

448  
449 (2) AN APPLICANT PROPOSING NEW BEDS IN A PSYCHIATRIC HOSPITAL OR UNIT, EXCEPT  
450 AN APPLICANT MEETING THE REQUIREMENTS OF SUBSECTION (3), (9), or (10) SHALL  
451 DEMONSTRATE THAT ~~t~~he average occupancy rate for the applicant's facility, where the proposed beds  
452 are to be located, was at least 70% for adult or child/adolescent beds, as applicable, during the most  
453 recent, consecutive 12-month period, as of the date of the submission of the application, for which  
454 verifiable data are available to the Department. **THIS SUBSECTION SHALL NOT APPLY IF ADDING  
455 BEDS FROM A SPECIAL POPULATION GROUP CONTAINED IN THE ADDENDUM TO THESE  
456 STANDARDS.** For purposes of this section, average occupancy rate shall be calculated as follows:

457 (a) Divide the number of patient days of care provided by the total number of patient days, then  
458 multiply the result by 100.

459  
460 (3) ~~Subsections (1) and (2) shall not apply.~~ AN APPLICANT MAY APPLY FOR THE ADDITION OF  
461 NEW BEDS if all of the following SUBSECTIONS are met: **FURTHER, AN APPLICANT PROPOSING  
462 NEW BEDS AT AN EXISTING LICENSED PSYCHIATRIC HOSPITAL OR UNIT SITE SHALL NOT BE  
463 REQUIRED TO BE IN COMPLIANCE WITH THE NEEDED PSYCHIATRIC HOSPITAL BED SUPPLY IF  
464 THE APPLICATION MEETS ALL OTHER APPLICABLE CON REVIEW STANDARDS AND AGREES  
465 AND ASSURES TO COMPLY WITH ALL APPLICABLE PROJECT DELIVERY REQUIREMENTS.**

466 (a) The number of existing adult or child/adolescent psychiatric beds in the planning area is equal to  
467 or exceeds the bed need.

468 (b) The beds are being added at the existing licensed site.

469 (c) The average occupancy rate for the applicant's facility was at least 75% for facilities with 19 beds  
470 or less and 80% for facilities with 20 beds or more, as applicable, during the most recent, consecutive 12-  
471 month period, as of the date of the submission of the application, for which verifiable data are available to  
472 the Department.

473 (i) For a facility with flex beds,

474 (A) calculate the average occupancy rate as follows:

475 (1) For adult beds:

476 (a) Adult bed days are the number of licensed adult beds multiplied by the number of days they were  
477 licensed during the most recent consecutive 12-month period.

478 (b) Flex bed days are the number of licensed flex beds multiplied by the number of days the beds  
479 were used to serve a child/ adolescent patient.

480 (c) Subtract the flex bed days from the adult bed days and divide the adult patient days of care by  
481 this number, then multiply the result by 100.

482

483 (2) For child/adolescent beds:

484 (a) Child/adolescent bed days are the number of licensed child/adolescent beds multiplied by the  
485 number of days they were licensed during the most recent 12-month period.

486 (b) Flex bed days are the number of licensed flex beds multiplied by the number of days the beds  
487 were used to serve a child/ adolescent patient.

488 (c) Add the flex bed days to the child/adolescent bed days and divide the child/adolescent patient  
489 days of care by this number, then multiply the result by 100.

490 (d) The number of beds to be added shall not exceed the results of the following formula:

491 (ii) Multiply the facility's average daily census for the most recent, consecutive 12-month period, as  
492 of the date of the submission of the application, for which verifiable data are available to the Department  
493 by 1.5 for adult beds and 1.7 for child/adolescent beds.

494 (iii) Subtract the number of currently licensed beds from the number calculated in (ii) above. This is  
495 the maximum number of beds that may be approved pursuant to this subsection.

496

497 (4) Proof of current contract or documentation of contract renewal, if current contract is under  
498 negotiation, with at least one CMH or its designee that serves the planning area in which the proposed  
499 beds or service will be located.

500

501 (5) Previously made commitments, if any, to the Department or CMH to serve public patients have  
502 been fulfilled.

503

504 (6) The number of beds proposed in the CON application to be allocated for use by public patients  
505 shall not be less than 50% of the beds proposed in the CON application. Applications proposed in direct  
506 response to a Department plan pursuant to subsection (9) shall allocate not less than 80% of the beds  
507 proposed in the CON application.

508

509 (7) The minimum number of beds in a psychiatric unit shall be at least 10 beds. If a psychiatric unit  
510 has or proposes to operate both adult and child/adolescent beds, then each unit shall have a minimum of  
511 10 beds. The Department may approve an application for a unit of less than 10 beds, if the applicant  
512 demonstrates, to the satisfaction of the Department, that travel time to existing units would significantly  
513 impair access to care. **THIS SUBSECTION SHALL NOT APPLY IF ADDING BEDS FROM A SPECIAL**  
514 **POPULATION GROUP CONTAINED IN THE ADDENDUM TO THESE STANDARDS.**

515

516 (8) Subsection (2) shall not apply if the Director of the Department has certified in writing that the  
517 proposed project is a direct response to a Department plan for reducing the use of public institutions for  
518 acute mental health care through the closure of a state-owned psychiatric hospital.

519

520 (9) An applicant shall not be required to be in compliance with subsection (1) if the applicant  
521 demonstrates that the application meets both of the following:

522 (a) The Director of the Department determines that an exception to subsection (1) should be made  
523 and certifies in writing that the proposed project is a direct response to a Department plan for reducing the  
524 use of public institutions for acute mental health care through the closure of a state-owned psychiatric  
525 hospital; and

526 (b) The proposed beds will be located in the area currently served by the public institution that will be  
527 closed as determined by the Department.

528

529 (10) An applicant proposing to add new adult and/or child/adolescent psychiatric beds, as the  
530 receiving licensed inpatient psychiatric hospital or unit under Section 87, shall demonstrate that it meets  
531 all of the requirements of this subsection and shall not be required to be in compliance with the bed need  
532 if the application meets all other applicable CON review standards and agrees and assures to comply  
533 with all applicable project delivery requirements.

534 (a) The approval of the proposed new inpatient psychiatric beds shall not result in an increase in the  
535 number of licensed inpatient psychiatric beds in the planning area.

536 (b) The applicant meets the requirements of subsections (4), (5), (6), and (7) above.

537 (c) The proposed project to add new adult and/or child adolescent psychiatric beds, under this  
538 subsection, shall constitute a change in bed capacity under Section 1(2) of these standards.

539 (d) Applicants proposing to add new adult and/or child/adolescent psychiatric beds under this  
540 subsection shall not be subject to comparative review.

541  
542 (11) An applicant proposing to initiate a new child/adolescent psychiatric service, as the receiving  
543 licensed inpatient psychiatric hospital or unit under Section 87(6), shall demonstrate that it meets all of  
544 the requirements of this subsection and shall not be required to be in compliance with the bed need if the  
545 application meets all other applicable CON review standards and agrees and assures to comply with all  
546 applicable project delivery requirements.

547 (a) The approval of the proposed new inpatient psychiatric beds shall not result in an increase in the  
548 number of licensed inpatient psychiatric beds in the planning area.

549 (b) The applicant meets the requirements of subsections (4), (5), and (6) above.

550 (c) The applicant is requesting a minimum of 10 child/adolescent psychiatric beds to a maximum of  
551 20 beds.

552 (d) The applicant:

553 (i) is related through common ownership, in whole or in part, or through common control, with an  
554 acute-care hospital that has an emergency department that provides 24-hour emergency care services  
555 and where child/adolescent patients with a psychiatric and/or developmental disability diagnosis present  
556 at an average of at least 100 visits per year for each of the three most recent years in which there is data  
557 verifiable by the Department; and

558 (ii) has an agreement with the acute-care hospital to give primary consideration for admission of  
559 child/adolescent patients from the acute-care hospital's emergency department in need of an inpatient  
560 psychiatric hospital admission.

561 (iii) has a collaborative agreement with an existing child/adolescent psychiatric hospital or unit for  
562 consultation and supportive services with a proposed term of not less than twelve months after  
563 implementation.

564 (e) The proposed site for the new child/adolescent beds has not previously been approved for beds  
565 under this sub-section.

566 (f) The proposed project to add new child adolescent psychiatric beds, under this subsection, shall  
567 constitute a change in bed capacity under Section 1(2) of these standards.

568 (g) Applicants proposing to add new child/adolescent psychiatric beds under this subsection shall not  
569 be subject to comparative review.

570

571 **Section 409. Requirements for approval for flex beds**

572

573 **Sec. 409.** An applicant proposing flex beds shall demonstrate the following as applicable to the  
574 proposed project:

575

576 (1) The applicant has existing adult psychiatric beds and existing child/adolescent psychiatric beds.

577

578 (2) The number of flex beds proposed in the CON application shall not result in the existing adult  
579 psychiatric unit to become non-compliant with the minimum size requirements within Section 65(4).

580

581 (3) The applicant shall meet all applicable sections of the standards.

582  
583 (4) The facility shall be in compliance and meet all design standards of the most recent Minimum  
584 Design Standards for Health Care Facilities in Michigan.

585  
586 (5) The applicant shall convert the beds back to adult inpatient psychiatric beds if the bed has not  
587 been used as a flex bed serving a child/adolescent patient for a continuous 12-month period or if the CON  
588 application is withdrawn.

589  
590 **Section 4410. Requirements for approval for acquisition of a psychiatric hospital or unit**

591  
592 **Sec. 4410.** An applicant proposing to acquire a psychiatric hospital or unit shall not be required to be  
593 in compliance with the needed bed supply, for the planning area in which the psychiatric hospital or unit  
594 subject to the proposed acquisition is located, if the applicant demonstrates that all of the following are  
595 met:

596  
597 (1) The acquisition will not result in a change in the number of licensed beds or beds designated for a  
598 child/adolescent specialized psychiatric program.

599  
600 (2) The licensed site does not change as a result of the acquisition.

601  
602 **(3) THE APPLICANT SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS, AS**  
603 **APPLICABLE:**

604 **(a) THE EXISTING PSYCHIATRIC HOSPITAL OR UNIT SHALL HAVE AN AVERAGE**  
605 **OCCUPANCY RATE OF AT LEAST 60% FOR ADULT BEDS AND 40% FOR CHILD/ADOLESCENT**  
606 **BEDS.**

607 **(b) IF THE AVERAGE OCCUPANCY RATE FOR THE EXISTING PSYCHIATRIC HOSPITAL OR**  
608 **UNIT IS BELOW 60% FOR ADULT BEDS OR 40% FOR CHILD/ADOLESCENT BEDS, THE**  
609 **APPLICANT SHALL AGREE TO ALL OF THE FOLLOWING:**

610 **(i) THE PSYCHIATRIC HOSPITAL OR UNIT TO BE ACQUIRED WILL ACHIEVE AN AVERAGE**  
611 **OCCUPANCY RATE OF AT LEAST 60% AVERAGE ANNUAL OCCUPANCY FOR ADULT BEDS OR**  
612 **40% ANNUAL AVERAGE OCCUPANCY FOR CHILD/ADOLESCENT BEDS FOR THE REVISED**  
613 **LICENSED BED COMPLEMENT DURING ANY CONSECUTIVE 12-MONTH PERIOD BY THE END OF**  
614 **THE SECOND YEAR OF OPERATION AFTER COMPLETION OF THE ACQUISITION.**

615 **(A) CALCULATE AVERAGE OCCUPANCY RATE FOR ADULT BEDS AS FOLLOWS:**

616 **(1) ADD THE NUMBER OF ADULT PATIENT DAYS OF CARE TO THE NUMBER OF**  
617 **CHILD/ADOLESCENT PATIENT DAYS OF CARE PROVIDED IN THE FLEX BEDS; DIVIDE THIS**  
618 **NUMBER BY THE ADULT BED DAYS, THEN MULTIPLY THE RESULT BY 100.**

619 **(B) CALCULATE AVERAGE OCCUPANCY RATE FOR CHILD/ADOLESCENT BEDS AS**  
620 **FOLLOWS:**

621 **(1) SUBTRACT THE NUMBER OF CHILD/ADOLESCENT PATIENT DAYS OF CARE PROVIDED**  
622 **IN THE FLEX BEDS FROM THE NUMBER OF CHILD ADOLESCENT PATIENT DAYS OF CARE;**  
623 **DIVIDE THIS NUMBER BY THE CHILD/ADOLESCENT BED DAYS, THEN MULTIPLY THE RESULT BY**  
624 **100.**

625 **(C) FLEX BEDS APPROVED UNDER SECTION 9 SHALL BE COUNTED AS EXISTING ADULT**  
626 **INPATIENT PSYCHIATRIC BEDS.**

627 **(c) IF THE PSYCHIATRIC HOSPITAL OR UNIT TO BE ACQUIRED DOES NOT ACHIEVE AN**  
628 **AVERAGE ANNUAL OCCUPANCY RATE OF AT LEAST 60% FOR ADULT BEDS OR 40% FOR**  
629 **CHILD/ADOLESCENT BEDS, AS CALCULATED ABOVE, DURING ANY CONSECUTIVE 12-MONTH**  
630 **PERIOD BY THE END OF THE SECOND YEAR OF OPERATION AFTER COMPLETION OF THE**  
631 **ACQUISITION, THE APPLICANT SHALL RELINQUISH SUFFICIENT BEDS AT THE EXISTING**  
632 **PSYCHIATRIC HOSPITAL OR UNIT TO RAISE ITS AVERAGE OCCUPANCY TO 60% FOR ADULT**  
633 **BEDS OR 40% FOR CHILD/ADOLESCENT BEDS. THE REVISED NUMBER OF LICENSED BEDS AT**

634 THE PSYCHIATRIC HOSPITAL OR UNIT SHALL BE CALCULATED AS FOLLOWS. HOWEVER, THE  
635 PSYCHIATRIC HOSPITAL OR UNIT SHALL NOT BE REDUCED TO LESS THAN 10 BEDS.

636 (i) FOR ADULT BEDS, AS OF THE DATE OF THE APPLICATION, CALCULATE THE NUMBER  
637 OF PATIENT DAYS DURING THE MOST RECENT, CONSECUTIVE 12-MONTH PERIOD WHERE  
638 VERIFIABLE DATA IS AVAILABLE TO THE DEPARTMENT, AND DIVIDE BY .60.

639 (ii) DIVIDE THE RESULT OF SUBSECTION (i) ABOVE BY 365 (OR 366 IF THE 12-MONTH  
640 PERIOD INCLUDES A LEAP YEAR) AND ROUND UP TO THE NEXT WHOLE NUMBER OR 10,  
641 WHICHEVER IS LARGER. THIS IS THE MAXIMUM NUMBER OF BEDS THAT CAN BE LICENSED AT  
642 THE EXISTING LICENSED PSYCHIATRIC HOSPITAL OR UNIT SITE AFTER ACQUISITION.

643 (iii) FOR CHILD/ADOLESCENT BEDS, AS OF THE DATE OF THE APPLICATION, CALCULATE  
644 THE NUMBER OF PATIENT DAYS DURING THE MOST RECENT, CONSECUTIVE 12-MONTH  
645 PERIOD WHERE VERIFIABLE DATA IS AVAILABLE TO THE DEPARTMENT, AND DIVIDE BY .40.

646 (iv) DIVIDE THE RESULT OF SUBSECTION (iii) ABOVE BY 365 (OR 366 IF THE 12-MONTH  
647 PERIOD INCLUDES A LEAP YEAR) AND ROUND UP TO THE NEXT WHOLE NUMBER OR 10,  
648 WHICHEVER IS LARGER. THIS IS THE MAXIMUM NUMBER OF BEDS THAT CAN BE LICENSED AT  
649 THE EXISTING LICENSED PSYCHIATRIC HOSPITAL OR UNIT SITE AFTER ACQUISITION.

650  
651 **Section 4211. Additional requirements for applications included in comparative review**  
652

653 **Sec. 4211.** (1) Any application subject to comparative review under Section 22229 of the Code, being  
654 Section 333.22229 of the Michigan Compiled Laws, or under these standards, shall be grouped and  
655 reviewed comparatively with other applications in accordance with the CON rules.  
656

657 (2) Each application in a comparative group shall be individually reviewed to determine whether the  
658 application has satisfied all the requirements of Section 22225 of the Code being Section 333.22225 of  
659 the Michigan Compiled Laws and all other applicable requirements for approval in the Code and these  
660 standards. If the Department determines that two or more competing applications satisfy all of the  
661 requirements for approval, these projects shall be considered qualifying projects. The Department shall  
662 approve those qualifying projects which, when taken together, do not exceed the need, as defined in  
663 Section 22225(1) of the Code, and which have the highest number of points when the results of  
664 subsection (3) are totaled. If two or more qualifying projects are determined to have an identical number  
665 of points, then the Department shall approve those qualifying projects which, when taken together, do not  
666 exceed the need, in the order in which the applications were received by the Department, based on the  
667 date and time stamp placed on the applications by the Department in accordance with rule 325.9123.  
668

669 (3)(a) A qualifying project application will be awarded 5 points if, within six months of beginning  
670 operation and annually thereafter, 100% of the licensed psychiatric beds (both existing and proposed) at  
671 the facility will be Medicaid certified.

672 (b) A qualifying project will have 4 points deducted if, on or after November 26, 1995, the records  
673 maintained by the Department document that the applicant was required to enter into a contract with  
674 either the Department or a CMH to serve the public patient and did not do so.

675 (c) A qualifying project will have 5 points deducted if, on or after November 26, 1995, the records  
676 maintained by the Department document that the applicant entered into a contract with MDCH or CMH  
677 but never admitted any public patients referred pursuant to that contract.

678 (d) A qualifying project will have 5 points deducted if, on or after November 26, 1995, the records  
679 maintained by the Department document that an applicant agreed to serve patients with an involuntary  
680 commitment status but has not admitted any patients referred with an involuntary commitment status.

681 (e) A qualifying project will be awarded 3 points if the applicant presents, in its application, a plan,  
682 acceptable to the Department, for the treatment of patients requiring long term treatment. For purposes  
683 of this subsection, long term treatment is defined to mean an inpatient length of stay in excess of 45 days.

684 (f) A qualifying project will be awarded 3 points if the applicant currently provides a partial  
685 hospitalization psychiatric program, outpatient psychiatric services, or psychiatric aftercare services, or  
686 the applicant includes any of these services as part of their proposed project, as demonstrated by site



plans and service contracts TRANSPORTATION ASSISTANCE TO PATIENTS WHO REQUIRE THESE SERVICES. AN APPLICANT PROPOSING A NEW FACILITY WILL BE AWARDED 3 POINTS IF IT SUBMITS SITE PLANS OR SERVICE CONTRACTS TO DEMONSTRATE IT WILL INCLUDE ANY OF THESE SERVICES AS PART OF ITS PROPOSED PROJECT.

(gc) A qualifying project will have 4 points deducted if the Department has issued, within three years prior to the date on which the CON application was deemed submitted, a temporary permit or provisional license FOR due to a pattern of licensure deficiencies at any psychiatric hospital or unit owned or operated by the applicant in this state.

(hd) A qualifying project will have points awarded based on the percentage of the hospital's indigent volume as set forth in the following table RANKING OF THE APPLICANT'S MEDICAID DAYS AS MEASURED AS A PERCENTAGE OF TOTAL DAYS AS SET FORTH IN THE FOLLOWING TABLE. FOR PURPOSES OF SCORING, THE APPLICANT'S MEDICAID PERCENTAGE WILL BE THE CUMULATIVE OF ALL TITLE XIX AND HEALTH MICHIGAN INPATIENT PSYCHIATRIC DAYS DIVIDED BY THE CUMULATIVE OF ALL INPATIENT PSYCHIATRIC DAYS AT ALL CURRENTLY LICENSED MICHIGAN HOSPITALS UNDER COMMON OWNERSHIP OR CONTROL WITH THE APPLICANT. FOR PURPOSES OF EVALUATING THIS CRITERION, AN APPLICANT SHALL SUBMIT THE MOST RECENT REVIEWED AND ACCEPTED MEDICAID COST REPORT FOR EACH CURRENTLY LICENSED HOSPITAL UNDER COMMON OWNERSHIP OR CONTROL IN MICHIGAN.

Hospital Indigent Volume	Points Awarded
0 - <6%	1
6 - <11%	2
11 - <16%	3
16 - <21%	4
21 - <26%	5
26 - <31%	6
31 - <36%	7
36 - <41%	8
41 - <46%	9
46% +	10

For purposes of this subsection, indigent volume means the ratio of a hospital's indigent charges to its total charges expressed as a percentage as determined by the Department pursuant to Chapter VIII of the Medical Assistance Program manual. The indigent volume data being used for rates in effect at the time the application is deemed submitted will be used by the Department in determining the number of points awarded to each qualifying project.

MEDICAID DAYS	POINTS AWARDED
APPLICANT WITH HIGHEST PERCENT OF MEDICAID DAYS	10 POINTS
ALL OTHER APPLICANTS	APPLICANT'S PERCENT OF MEDICAID DAYS DIVIDED BY THE HIGHEST APPLICANT'S PERCENT OF MEDICAID DAYS, THEN MULTIPLIED BY 10
EXAMPLE BELOW	
THE HIGHEST APPLICANT HAS 58.3% MEDICAID DAYS	10 POINTS
APPLICANT WITH 55.3% MEDICAID DAYS	$(.553 / .583) \times 10 = 9$ POINTS
APPLICANT WITH 51.3% MEDICAID DAYS	$(.513 / .583) \times 10 = 9$ POINTS



PERCENTAGES OF DAYS SHALL BE ROUNDED TO THE NEAREST 1/1000 AND POINTS AWARDED SHALL BE ROUNDED TO THE NEAREST WHOLE NUMBER, I.E. NUMBERS ENDING IN .5 OR HIGHER, ROUND UP, AND NUMBERS ENDING IN .4 OR LOWER, ROUND DOWN.

(e) A qualifying project will have points deducted based on the applicant's record of compliance with applicable safety and operating standards for any psychiatric hospital or unit owned and/or operated by the applicant in this state. Points shall be deducted in accordance with the following schedule if, on or after November 26, 1995, the Department records document any non-renewal or revocation of license for cause or non-renewal or termination of certification for cause of any psychiatric hospital or unit owned or operated by the applicant in this state.

Psychiatric Hospital/Unit Compliance Action	Points Deducted
Non-renewal or revocation of license	4
Non-renewal or termination of:	
Certification - Medicare	4
Certification - Medicaid	4

(f) A QUALIFYING PROJECT WILL BE AWARDED POINTS BASED ON THE APPLICANT'S TOTAL PROJECT COSTS PER BED. FOR PURPOSES OF THIS CRITERION, TOTAL PROJECT COSTS SHALL BE DEFINED AS THE TOTAL COSTS FOR CONSTRUCTION AND RENOVATION, SITE WORK, ARCHITECTURAL/ ENGINEERING AND CONSULTING FEES, CONTINGENCIES, FIXED EQUIPMENT, CONSTRUCTION MANAGEMENT AND PERMITS. POINTS SHALL BE AWARDED IN ACCORDANCE WITH THE TABLE BELOW:

COST PER BED	POINTS AWARDED
APPLICANT WITH THE LOWEST COST PER BED	10 POINTS
ALL OTHER APPLICANTS	APPLICANT'S COST PER BED DIVIDED BY THE LOWEST APPLICANT'S COST PER BED, THEN MULTIPLIED BY 7
EXAMPLE BELOW	
THE LOWEST COST APPLICANT IS \$698,000 PER BED	7 POINTS
APPLICANT WITH \$710,000 PER BED	$(\$698,000 / \$710,000) \times 7 = 7$ POINTS
APPLICANT WITH \$975,000 PER BED	$(\$698,000 / \$975,000) \times 7 = 5$ POINTS

POINTS SHALL NOT BE AWARDED UNDER THIS SECTION FOR ANY PROJECT THAT PROPOSES TO ADD BEDS AT A LEASED FACILITY. COSTS SHALL BE ROUNDED TO THE NEAREST WHOLE DOLLAR AND POINTS AWARDED SHALL BE ROUNDED TO THE NEAREST WHOLE NUMBER, I.E. NUMBERS ENDING IN .5 OR HIGHER, ROUND UP, AND NUMBERS ENDING IN .4 OR LOWER, ROUND DOWN.

(g) A QUALIFYING PROJECT WILL BE AWARDED 1 POINT FOR EACH DESIGN FEATURE IN THIS SUBSECTION (MAXIMUM OF 3 POINTS) THAT APPLICANT PROPOSES TO INCLUDE IN THE PROPOSED PROJECT TO REDUCE STRESS, FOSTER DIMINISHED AGGRESSION, AND REDUCE PATIENT RISK:

(i) DESIGN FEATURES AS SHOWN ON THE FLOOR PLAN SUBMITTED WITH THE CON APPLICATION TO ALLOW THE APPLICANT TO CREATE ONE OR MORE SUBUNITS WITHIN A

768 LARGER UNIT FOR CLINICAL OR PROGRAMMATIC PURPOSES, INCLUDING DOOR OR WALL  
769 SYSTEMS PERMITTED UNDER THE MINIMUM DESIGN STANDARDS FOR HEALTHCARE  
770 FACILITIES IN MICHIGAN TO SUBDIVIDE INPATIENT PSYCHIATRIC SPACE ON A TEMPORARY OR  
771 FLEXIBLE BASIS;

772 (ii) GARDENS OR OTHER OUTDOOR AREAS TO ALLOW INPATIENTS DIRECT DAILY ACCESS  
773 TO OUTDOOR SPACE AND DAYLIGHT; AND

774 (iii) A FLOOR PLAN DESIGNED TO HELP REDUCE PATIENT RISK BY OPTIMIZING  
775 OBSERVATION OF PATIENTS IN THE FACILITY IN COMMUNAL AREAS, HALLWAYS, AND PATIENT  
776 ROOMS. FOR PURPOSES OF THIS CRITERIA, APPLICANTS SHALL SUBMIT PROPOSED FLOOR  
777 PLANS THAT SHOW UNOBSTRUCTED SIGHT LINES FROM NURSE STATIONS OR THE  
778 EQUIVALENT TO ALL PATIENT ROOM CORRIDORS AND ALL COMMON AREAS UTILIZED FOR  
779 PATIENT CARE.

780  
781 (h) A QUALIFYING PROJECT WILL BE AWARDED 3 POINTS IF THE APPLICANT HAS OR  
782 PROPOSES TO DEVELOP, WITH CREDIBLE DOCUMENTATION ACCEPTABLE TO THE  
783 DEPARTMENT, A TELEHEALTH AND/OR TELEMEDICINE PROGRAM TO FACILITATE INPATIENT  
784 ADMISSION OF PSYCHIATRIC PATIENTS OR TO ASSIST IN THE DIAGNOSIS, TREATMENT OR  
785 PROVISION OF OTHER INPATIENT SUPPORT AND SERVICES NECESSARY AND APPROPRIATE  
786 FOR THE ADMISSION OR RETENTION OF A PSYCHIATRIC HOSPITAL INPATIENT WITH THE  
787 FOLLOWING FEATURES:

788 (i) THE EXISTING OR PROPOSED TELEHEALTH AND/OR TELEMEDICINE PROGRAM  
789 COMPLIES OR WILL COMPLY WITH MICHIGAN COMPILED LAWS SECTION 333.16283 TO  
790 333.16288;

791 (ii) THE PROPOSED PROJECT INCLUDES INFRASTRUCTURE NECESSARY OR  
792 APPROPRIATE FOR THE PSYCHIATRIC TELEHEALTH AND/OR TELEMEDICINE SERVICES  
793 INCLUDING HIGH-SPEED INTERNET CONNECTIONS, INTEGRATION OF THE TELEHEALTH  
794 AND/OR TELEMEDICINE SERVICES WITH THE ELECTRONIC HEALTH RECORD OF THE  
795 PSYCHIATRIC INPATIENT, AND PHYSICAL PLANT DESIGN ELEMENTS NECESSARY OR  
796 APPROPRIATE FOR COMPLIANCE WITH APPLICABLE STATE AND FEDERAL PRIVACY LAWS;  
797 AND

798 (iii) THE APPLICANT HAS OR PROPOSES A PLAN TO FACILITATE WORKFORCE TRAINING  
799 AND TECHNICAL ASSISTANCE TO SUPPORT OPERATION OF THE TELEHEALTH AND/OR  
800 TELEMEDICINE PROGRAM.

801  
802 (i) A QUALIFYING PROJECT WILL BE AWARDED 3 POINTS IF THE APPLICANT ALREADY  
803 HAS, OR THE PROPOSED PROJECT WILL HAVE COMPREHENSIVE PSYCHIATRIC CRISIS  
804 SERVICES FOR THE PURPOSE OF DIVERTING PATIENTS TO A LOWER ACUITY SETTING  
805 INCLUDING ANY OF THE FOLLOWING: 24-HOUR PATIENT/FAMILY CRISIS TELEPHONE LINES,  
806 WALK-IN CRISIS SERVICES, OR A CRISIS STABILIZATION UNIT. AN APPLICANT SHALL SUBMIT  
807 SITE PLANS OR CONTRACTS TO DEMONSTRATE IT CURRENTLY HAS OR WILL INCLUDE ANY OF  
808 THESE SERVICES AS PART OF ITS PROPOSED PROJECT.

809 (j) A QUALIFYING PROJECT WILL BE AWARDED POINTS BASED ON THE GEOGRAPHIC  
810 LOCATION OF THE PROJECT IN ACCORDANCE WITH THE FOLLOWING TABLE. FOR PURPOSES  
811 OF EVALUATION, THIS CRITERIA WILL CONSIDER THE PROXIMITY OF THE PROPOSED  
812 PROJECT TO EXISTING BEDS OF THE SAME TYPE AS THOSE PROPOSED IN THE APPLICATION,  
813 INCLUDING BOTH OPERATING AND CON-APPROVED BUT NOT YET OPERATIONAL BEDS ON  
814 THE DATE OF APPLICATION.

PROXIMITY TO EXISTING BEDS OF THE SAME TYPE	POINTS AWARDED
LESS THAN 30 MILES	0
BETWEEN 30 AND 60 MILES	1
BETWEEN 60 AND 90 MILES	2

GREATER THAN 90 MILES

3

FOR PURPOSES OF SCORING THIS CRITERIA, THE APPLICANT SHALL SUBMIT DATA USING THE MICHIGAN STATE UNIVERSITY GEOCODER LOCATED ON THE DEPARTMENT'S WEBSITE AND THE DEPARTMENT'S INVENTORY OF BEDS AT THE TIME THE APPLICATION IS DEEMED SUBMITTED.

(k) A QUALIFYING PROJECT THAT PROPOSES BEDS UNDER THE ADDENDUM FOR SPECIAL POPULATION GROUPS, SECTION 7 FOR HIGH ACUITY PSYCHIATRIC PATIENTS, WILL BE AWARDED BASED ON THE PERCENTAGE OF BEDS LOCATED IN PRIVATE ROOMS PROPOSED AS PART OF THE PROJECT, SUPPORTED BY THE FLOOR PLANS PROVIDED IN THE APPLICATION, IN ACCORDANCE WITH THE TABLE BELOW.

PERCENTAGE OF HIGH ACUITY BEDS LOCATED IN PRIVATE ROOMS	POINTS AWARDED
APPLICANT WITH HIGHEST PERCENTAGE OF HIGH ACUITY BEDS LOCATED IN PRIVATE ROOMS	7 POINTS
ALL OTHER APPLICANTS	APPLICANT'S PERCENT OF BEDS LOCATED IN PRIVATE ROOMS DIVIDED BY THE HIGHEST APPLICANT'S PERCENT OF BEDS LOCATED IN PRIVATE ROOMS, THEN MULTIPLIED BY 7
<b>EXAMPLE BELOW</b>	
THE APPLICANT WITH THE HIGHEST PERCENTAGE OF BEDS IN PRIVATE ROOMS IS 90.0%	7 POINTS
APPLICANT WITH 80.0% OF BEDS IN PRIVATE ROOMS	$(.800 / .900) \times 7 = 6$ POINTS
APPLICANT WITH 70.5% BEDS IN PRIVATE ROOMS	$(.750 / .900) \times 7 = 5$ POINTS

PERCENTAGES OF BEDS IN PRIVATE ROOMS SHALL BE ROUNDED TO THE NEAREST 1/1000 AND POINTS AWARDED SHALL BE ROUNDED TO THE NEAREST WHOLE NUMBER, I.E. NUMBERS ENDING IN .5 OR HIGHER, ROUND UP, AND NUMBERS ENDING IN .4 OR LOWER, ROUND DOWN.

(4) Submission of conflicting information in this section may result in a lower point award. If an application contains conflicting information which could result in a different point value being awarded in this section, the Department will award points based on the lower point value that could be awarded from the conflicting information. For example, if submitted information would result in 6 points being awarded, but other conflicting information would result in 12 points being awarded, then 6 points will be awarded. If the conflicting information does not affect the point value, the Department will award points accordingly. For example, if submitted information would result in 12 points being awarded and other conflicting information would also result in 12 points being awarded, then 12 points will be awarded.

**Section 4312. Requirements for approval -- all applicants**

Sec. 4312. (1) An applicant shall provide verification of Medicaid participation. An applicant that is a new provider not currently enrolled in Medicaid shall certify that proof of Medicaid participation will be provided to the Department within six (6) months from the offering of services if a CON is approved.

(2) The applicant certifies all outstanding debt obligations owed to the State of Michigan for Quality Assurance Assessment Program (QAAP) or Civil Monetary Penalties (CMP) have been paid in full.

850 (3) The applicant certifies that the health facility for the proposed project has not been cited for a  
851 state or federal code deficiency within the 12 months prior to the submission of the application. If a code  
852 deficiency has been issued, then the applicant shall certify that a plan of correction for cited state or  
853 federal code deficiencies at the health facility has been submitted and approved by the Bureau of Health  
854 Systems within the Department or, as applicable, the Centers for Medicare and Medicaid Services. If  
855 code deficiencies include any unresolved deficiencies still outstanding with the Department or the Centers  
856 for Medicare and Medicaid Services that are the basis for the denial, suspension, or revocation of an  
857 applicant's health facility license, poses an immediate jeopardy to the health and safety of patients, or  
858 meets a federal conditional deficiency level, the proposed project cannot be approved without approval  
859 from the Bureau of Health Systems.

860  
861 **Section 4413. Project delivery requirements - terms of approval for all applicants**

862  
863 **Sec. 4413. An applicant shall agree that, if approved, the project shall be delivered in compliance with**  
864 **the following terms of CON approval:**

865  
866 (1) Compliance with these standards.

867 (2) Compliance with the following applicable quality assurance standards:

868 (a) The proposed licensed psychiatric beds shall be operated in a manner that is appropriate for a  
869 population with the ethnic, socioeconomic, and demographic characteristics including the developmental  
870 stage of the population to be served.

871 (b) The applicant shall establish procedures to care for patients who are disruptive, combative, or  
872 suicidal and for those awaiting commitment hearings, and the applicant shall establish a procedure for  
873 obtaining physician certification necessary to seek an order for involuntary treatment for those persons  
874 that, in the judgment of the professional staff, meet the Mental Health Code criteria for involuntary  
875 treatment.

876 (c) The applicant shall develop a standard procedure for determining, at the time the patient first  
877 presents himself or herself for admission or within 24 hours after admission, whether an alternative to  
878 inpatient psychiatric treatment is appropriate.

879 (d) The inpatient psychiatric hospital or unit shall provide clinical, administrative, and support  
880 services that will be at a level sufficient to accommodate patient needs and volume, and will be provided  
881 seven days a week to assure continuity of services and the capacity to deal with emergency admissions.

882  
883 (3) Compliance with the following access to care requirements:

884 (a) An applicant shall participate in Medicaid at least 12 consecutive months within the first two years  
885 of operation and continue to participate annually thereafter.

886 (b) The applicant, to assure appropriate utilization by all segments of the Michigan population, shall:

887 (i) not deny acute inpatient mental health services to any individual based on ability to pay, source of  
888 payment, age, race, handicap, national origin, religion, gender, sexual orientation or commitment status;

889 (ii) provide acute inpatient mental health services to any individual based on clinical indications of  
890 need for the services; and

891 (iii) maintain information by payor and non-paying sources to indicate the volume of care from each  
892 source provided annually. Compliance with selective contracting requirements shall not be construed as  
893 a violation of this term.

894 **(iv) ADOPT AND MAINTAIN A POLICY THAT INCLUDES A PLAN FOR PROVIDING INPATIENT**  
895 **PSYCHIATRIC SERVICES TO EXISTING OR POTENTIAL PSYCHIATRIC INPATIENTS WHOSE**  
896 **LENGTH OF STAY AT APPLICANT'S PSYCHIATRIC HOSPITAL EXCEEDS, OR MAY EXCEED, 45**  
897 **CONSECUTIVE INPATIENT DAYS IN ACCORDANCE WITH APPLICABLE MEDICARE, MEDICAID,**  
898 **CMH, OR OTHER THIRD-PARTY PAYOR MEDICAL NECESSITY CRITERIA FOR INPATIENT**  
899 **PSYCHIATRIC ADMISSIONS AND AN APPROPRIATE CARE PLAN.**

900  
901 (4) Compliance with the following monitoring and reporting requirements:

902 (a) The average occupancy rate for all licensed beds at the psychiatric hospital or unit shall be at  
903 least 60 percent (%) for adult beds and 40 percent (%) for child/adolescent beds for the second 12  
904 months of operation, and annually thereafter.

905 (i) Calculate average occupancy rate for adult beds as follows:

906 (A) Add the number of adult patient days of care to the number of child/adolescent patient days of  
907 care provided in the flex beds; divide this number by the adult bed days, then multiply the result by 100.

908 (ii) Calculate average occupancy rate for child/adolescent beds as follows:

909 (A) Subtract the number of child/adolescent patient days of care provided in the flex beds from the  
910 number of child adolescent patient days of care; divide this number by the child/adolescent bed days,  
911 then multiply the result by 100.

912 (b) Flex beds approved under section 40-9 shall be counted as existing adult inpatient psychiatric  
913 beds.

914 (c) After the second 12 months of operation, if the average occupancy rate is below 60% for adult  
915 beds or 40% for child/adolescent beds, the number of beds shall be reduced to achieve a minimum of  
916 60% average annual occupancy for adult beds or 40% annual average occupancy for child/adolescent  
917 beds for the revised licensed bed complement. However, the psychiatric hospital or unit shall not be  
918 reduced to less than 10 beds.

919 (d) The applicant shall participate in a data collection network established and administered by the  
920 Department or its designee. The data may include, but is not limited to: annual budget and cost  
921 information, operating schedules, and demographic, diagnostic, morbidity and mortality information, as  
922 well as the volume of care provided to patients from all payor sources. The applicant shall provide the  
923 required data on a separate basis for each licensed site; in a format established by the Department; and  
924 in a mutually agreed upon media. The Department may elect to verify the data through on-site review of  
925 appropriate records.

926 (e) The applicant shall provide the Department with a notice stating the date the beds or services are  
927 placed in operation and such notice shall be submitted to the Department consistent with applicable  
928 statute and promulgated rules.

929 (f) An applicant required to enter into a contract with a CMH(s) or the Department pursuant to these  
930 standards shall have in place, at the time the approved beds or services become operational, a signed  
931 contract to serve the public patient. The contract must address a single entry and exit system including  
932 discharge planning for each public patient. The contract shall specify that at least 50% or 80% of the  
933 approved beds, as required by the applicable sections of these standards, shall be allocated to the public  
934 patient, and shall specify the hospital's or unit's willingness to admit patients with an involuntary  
935 commitment status. The contract need not be funded.

936  
937 (5) Compliance with this Section shall be determined by the Department based on a report submitted  
938 by the applicant and/or other information available to the Department.

939  
940 (6) Nothing in this section prohibits the Department from taking compliance action under MCL  
941 333.22247.

942  
943 (7) The agreements and assurances required by this Section shall be in the form of a certification  
944 agreed to by the applicant or its authorized agent.

945  
946 **Section 4514. Project delivery requirements - additional terms of approval for child/adolescent**  
947 **service**

948  
949 **Sec. 4514. (1) In addition to the provisions of Section 4413, an applicant for a child/adolescent**  
950 **service shall agree to operate the program in compliance with the following terms of CON approval, as**  
951 **applicable:**

952 (a) There shall be at least the following child and adolescent mental health professionals employed,  
953 either directly or by contract, by the hospital or unit, each of whom must have been involved in the  
954 delivery of child/adolescent mental health services for at least 2 years within the most recent 5 years:

- 955 (i) a child/adolescent psychiatrist;
- 956 (ii) a child psychologist;
- 957 (iii) a psychiatric nurse;
- 958 (iv) a psychiatric social worker;
- 959 (v) an occupational therapist or recreational therapist; and
- 960 (b) There shall be a recipient rights officer employed by the hospital or the program.
- 961 (c) The applicant shall identify a staff member(s) whose assigned responsibilities include discharge
- 962 planning and liaison activities with the home school district(s).
- 963 (d) There shall be the following minimum staff employed either on a full time basis or access to on a
- 964 consulting basis as needed:
  - 965 (i) a pediatrician;
  - 966 (ii) a child neurologist;
  - 967 (iii) a neuropsychologist;
  - 968 (iv) a speech and language therapist;
  - 969 (v) an audiologist; and
  - 970 (vi) a dietician.
- 971 (e) A child/adolescent service shall have the capability to determine that each inpatient admission is
- 972 the appropriate treatment alternative consistent with Section 498e of the Mental Health Code, being
- 973 Section 330.1498e of the Michigan Compiled Laws.
- 974 (f) The child/adolescent service shall develop and maintain a coordinated relationship with the home
- 975 school district of any patient to ensure that all public education requirements are met.
- 976 (g) The applicant shall demonstrate that the child/adolescent service is integrated within the
- 977 continuum of mental health services available in its planning area by establishing a formal agreement with
- 978 the CMH(s) serving the planning area in which the child/adolescent specialized psychiatric program is
- 979 located. The agreement shall address admission and discharge planning issues which include, at a
- 980 minimum, specific procedures for referrals for appropriate community services and for the exchange of
- 981 information with the CMH(s), the probate court(s), the home school district, the Michigan Department of
- 982 Human Services, the parent(s) or legal guardian(s) and/or the patient's attending physician.
- 983
- 984 (2) Compliance with this Section shall be determined by the Department based on a report submitted
- 985 by the program and/or other information available to the Department.
- 986
- 987 (3) The agreements and assurances required by this Section shall be in the form of a certification
- 988 agreed to by the applicant or its authorized agent.
- 989

990 **Section 4615. Department inventory of beds**

991

992 **Sec. 4615.** The Department shall maintain, and provide on request, a listing of the Department

993 Inventory of Beds for each adult and child/adolescent planning area.

994

995 **Section 4716. Planning areas**

996

997 **Sec. 4716.** The planning areas for inpatient psychiatric beds are the geographic boundaries of the

998 groups of counties as follows.

999

<u>Planning Areas</u>	<u>Counties</u>
1000 1	Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, Wayne
1001 2	Clinton, Eaton, Hillsdale, Ingham, Jackson, Lenawee
1002 3	Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van
1003	Buren
1004	
1005	
1006	
1007	



1008 4 Allegan, Ionia, Kent, Lake, Mason, Montcalm, Muskegon, Newaygo,  
 1009 Oceana, Ottawa  
 1010  
 1011 5 Genesee, Lapeer, Shiawassee  
 1012  
 1013 6 Arenac, Bay, Clare, Gladwin, Gratiot, Huron, Iosco, Isabella, Midland,  
 1014 Mecosta, Ogemaw, Osceola, Oscoda, Saginaw, Sanilac, Tuscola  
 1015  
 1016 7 Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford,  
 1017 Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee,  
 1018 Montmorency, Otsego, Presque Isle, Roscommon, Wexford  
 1019  
 1020 8 Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron,  
 1021 Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon,  
 1022 Schoolcraft  
 1023  
 1024

1025 **Section 4817. Effect on prior CON review standards; comparative reviews**  
 1026

1027 **Sec. 4817. (1) These CON review standards supercede and replace the CON Review Standards for**  
 1028 **Psychiatric Beds and Services, approved by the CON Commission on ~~September 21, 2016~~MARCH 21,**  
 1029 **~~2019~~ and effective on ~~December 9, 2016~~MAY 24, 2019.**  
 1030

1031 **(2) Projects involving replacement beds, relocation of beds, flex beds under Section 409, or an**  
 1032 **increase in beds, approved pursuant to Section 76(3), are reviewed under these standards and shall not**  
 1033 **be subject to comparative review.**  
 1034

1035 **(3) Projects involving initiation of services or an increase in beds, approved pursuant to Section**  
 1036 **65(1), are reviewed under these standards and shall be subject to comparative review.**  
 1037  
 1038  
 1039

**RATIO OF ADULT INPATIENT PSYCHIATRIC  
BEDS PER 10,000 ADULT POPULATION**

The ratio per 10,000 adult population, for purposes of these standards, effective April 1, 2015, and until otherwise changed by the Commission, is as follows:

<b>PLANNING AREA</b>	<b>ADULT BEDS PER 10,000 ADULT POPULATION</b>
1	3.09143
2	2.40602
3	2.44460
4	2.39174
5	3.07912
6	1.75052
7	0.83839
8	2.26654
<b>STATE</b>	<b>2.64279</b>

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1052  
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1057  
1058

**CON REVIEW STANDARDS  
FOR CHILD/ADOLESCENT INPATIENT PSYCHIATRIC BEDS**

The use rate per 1000 population age 0-17, for purposes of these standards, effective April 1, 2015, and until otherwise changed by the Commission, is 25.664.

1059 MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

1060  
1061 CON REVIEW STANDARDS  
1062 FOR PSYCHIATRIC BEDS AND SERVICES  
1063 --ADDENDUM FOR SPECIAL POPULATION GROUPS  
1064

1065 (By authority conferred on the CON commission by Section 22215 of Act No. 368 of the Public Acts of  
1066 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being  
1067 sections 333.22215, 24.207 and 24.208 of the Michigan Compiled Laws.)  
1068

1069 **Section 1. Applicability; definitions**  
1070

1071 Sec. 1. (1) This addendum supplements the CON review standards for psychiatric beds and services  
1072 and shall be used for determining the need for projects established to better meet the needs of special  
1073 population groups within the mental health populations.  
1074

1075 (2) Except as provided in sections 2, 3, 4, 5, 6, 7 and 7-8 of this addendum, these standards  
1076 supplement, and do not supersede, the requirements and terms of approval required by the CON Review  
1077 Standards for Psychiatric Beds and Services.  
1078

1079 (3) The definitions which apply to the CON Review Standards for Psychiatric Beds and Services shall  
1080 apply to these standards.  
1081

1082 (4) For purposes of this addendum, the following terms are defined:

1083 (a) "Developmental disability unit" means a unit designed for psychiatric patients (adult or  
1084 child/adolescent as applicable) who have been diagnosed with a severe, chronic disability as outlined in  
1085 Section 102, 42 USC 15002, of the Developmental Disabilities Assistance and Bill of Rights Act of 2000  
1086 (DD Act) and its update or future guideline changes.

1087 (b) "Geriatric psychiatric unit" means a unit designed for psychiatric patients aged 65 and over.

1088 (c) "HIGH ACUITY PSYCHIATRIC UNIT" MEANS A DISTINCT PSYCHIATRIC UNIT FOR  
1089 INDIVIDUALS WHO ARE CURRENTLY EXHIBITING THREE OR MORE TO A MODERATE DEGREE  
1090 OR TWO OR MORE TO A SEVERE DEGREE OF THE FOLLOWING: CONFUSION, IRRITABILITY,  
1091 BOISTEROUSNESS, POOR IMPULSE CONTROL, UNCOOPERATIVENESS, HOSTILITY, VERBAL  
1092 THREATS, PHYSICAL THREATS, OR ATTACKING OBJECTS. THIS TERM ALSO INCLUDES  
1093 PATIENTS WHO ARE UNWILLING OR UNABLE TO STOP ATTEMPTS AT SELF HARM OR SUICIDE  
1094 OR PATIENTS WHO HAVE A HISTORY OF VIOLENCE TO SELF OR OTHERS ON AN INPATIENT  
1095 PSYCHIATRIC UNIT.

1096 (d) "Medical psychiatric unit" means a unit designed for psychiatric patients (adult or child/adolescent  
1097 as applicable) who have also been diagnosed with a medical illness requiring hospitalization, e.g.,  
1098 patients who may be on dialysis, require wound care or need intravenous or tube feeding.  
1099

1100 **Section 2. Requirements for approval -- applicants proposing to increase psychiatric beds --**  
1101 **special use exceptions**  
1102

1103 Sec. 2. A project to increase psychiatric beds in a planning area which, if approved, would otherwise  
1104 cause the total number of psychiatric beds in that planning area to exceed the needed psychiatric bed  
1105 supply or cause an increase in an existing excess as determined under the applicable CON review  
1106 standards for psychiatric beds and services, may nevertheless be approved pursuant to this addendum.  
1107

1108 Section 3. Statewide pool for the needs of special population groups within the mental health populations  
1109

1110 Sec. 3. (1) A statewide pool of additional psychiatric beds consists of 370-850 beds needed in the  
1111 state is established to better meet the needs of special population groups within the mental health  
1112 populations. The number of beds in the DEVELOPMENTAL DISABILITY, GERIATRIC AND MEDICAL

1113 ~~PSYCHIATRIC~~ pools ~~is~~ ARE based on ~~five~~ SEVEN AND A HALF percent of the statewide bed need for  
1114 psychiatric inpatient beds rounded up to the next ten WITH A MINIMUM OF 50 CHILD/ADOLESCENT  
1115 BEDS IN EACH SPECIAL POOL, AS APPLICABLE. THE NUMBER OF BEDS IN THE HIGH ACUITY  
1116 POOL IS BASED ON TEN PERCENT OF THE STATEWIDE BED NEED FOR PSYCHIATRIC  
1117 INPATIENT BEDS ROUNDED UP TO THE NEXT TEN WITH A MINIMUM OF 50 CHILD/ADOLESCENT  
1118 BEDS. Beds in the pool shall be distributed as follows and shall be reduced in accordance with  
1119 subsection (2):

1120 (a) Developmental disability beds will be allocated 440-160 adult beds and 20-50 child/adolescent  
1121 beds.

1122 (b) Geriatric psychiatric beds will be allocated 440-160 adult beds.

1123 (c) Medical psychiatric beds will be allocated 440-160 adult beds and 20-50 child/adolescent beds.

1124 (d) HIGH ACUITY PSYCHIATRIC BEDS WILL BE ALLOCATED 220 ADULT BEDS AND 50  
1125 CHILD/ADOLESCENT BEDS.

1126  
1127 (2) By setting aside these beds from the total statewide pool, the Commission's action applies only to  
1128 applicants seeking approval of psychiatric beds pursuant to sections 4, 5, 6 and 67. It does not preclude  
1129 the care of these patients in units of hospitals, psychiatric hospitals, or other health care settings in  
1130 compliance with applicable statutory or certification requirements.

1131  
1132 (3) Increases in psychiatric beds approved under this addendum for special population groups shall  
1133 not cause planning areas currently showing an unmet bed need to have that need reduced or planning  
1134 areas showing a current surplus of beds to have that surplus increased.

1135  
1136 (4) The Commission may adjust the number of beds available in the statewide pool for the needs of  
1137 special population groups within the mental health populations concurrent with the biennial recalculation  
1138 of the statewide psychiatric inpatient bed need. Modifying the number of beds available in the statewide  
1139 pool for the needs of special population groups within the mental health populations pursuant to this  
1140 section shall not require a public hearing or submittal of the standard to the Legislature and the Governor  
1141 in order to become effective.

1142  
1143 (5) BEDS APPROVED UNDER SUBSECTIONS 4, 5, 6, AND 7 SHALL NOT BE CONVERTED TO  
1144 OR UTILIZED AS GENERAL PSYCHIATRIC BEDS.

#### 1145 1146 **Section 4. Requirements for approval for beds from the statewide pool for special population** 1147 **groups allocated to developmental disability patients**

1148  
1149 Sec. 4. The CON commission determines there is a need for beds for applications designed to  
1150 determine the efficiency and effectiveness of specialized programs for the care and treatment of  
1151 developmental disability patients as compared to serving these needs in general psychiatric unit(s).  
1152

1153 (1) An applicant proposing to begin operation of a new adult or child/adolescent psychiatric service or  
1154 add beds to an existing adult or child/adolescent psychiatric service under this section shall demonstrate  
1155 with credible documentation to the satisfaction of the Department each of the following:

1156 (a) The applicant shall submit evidence of accreditation as follows:

1157 (i) Documentation of its existing developmental disability program by the National Association for the  
1158 Dually Diagnosed (NADD) or another nationally-recognized accreditation organization for developmental  
1159 disability care and services; or

1160 (ii) within 24-months of accepting its first patient, the applicant shall obtain NADD or another  
1161 nationally-recognized accreditation organization for the developmental disability beds proposed under this  
1162 subsection.

1163 (b) The applicant proposes programs to promote a culture within the facility that is appropriate for  
1164 developmental disability patients.

1165 (c) Staff will be specially trained in treatment of developmental disability patients.

1166 (d) The proposed beds will serve only developmental disability patients.

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(2) All beds approved pursuant to this subsection shall be certified for Medicaid.

**Section 5. Requirements for approval for beds from the statewide pool for special population groups allocated to geriatric psychiatric patients**

Sec. 5. The CON commission determines there is a need for beds for applications designed to determine the efficiency and effectiveness of specialized programs for the care and treatment of geriatric psychiatric patients as compared to serving these needs in general psychiatric unit(s).

(1) An applicant proposing to begin operation of a new adult psychiatric service or add beds to an existing adult psychiatric service under this section shall demonstrate with credible documentation to the satisfaction of the Department each of the following:

(a) The applicant shall submit evidence of accreditation as follows:

(i) Documentation of its existing geriatric psychiatric program by the Commission on Accreditation of Rehabilitation Facilities (CARF) or another nationally-recognized accreditation organization for geriatric psychiatric care and services; or

(ii) within 24-months of accepting its first patient, the applicant shall obtain CARF or another nationally-recognized accreditation organization for the geriatric psychiatric beds proposed under this subsection.

(b) The applicant proposes programs to promote a culture within the facility that is appropriate for geriatric psychiatric patients.

(c) Staff will be specially trained in treatment of geriatric psychiatric patients.

(d) The proposed beds will serve only geriatric psychiatric patients.

(2) All beds approved pursuant to this subsection shall be dually certified for Medicare and Medicaid.

**Section 6. Requirements for approval for beds from the statewide pool for special population groups allocated to medical psychiatric patients**

Sec. 6. The CON commission determines there is a need for beds for applications designed to determine the efficiency and effectiveness of specialized programs for the care and treatment of medical psychiatric patients as compared to serving these needs in general psychiatric unit(s).

(1) An applicant proposing to begin operation of a new adult or child/adolescent psychiatric service or add beds to an existing adult or child/adolescent psychiatric service under this section shall demonstrate with credible documentation to the satisfaction of the Department each of the following:

(a) The beds will be operated as part of a specialized program exclusively for adult or child/adolescent medical psychiatric patients, as applicable, within **ONE OF THE FOLLOWING SETTINGS:**

**(i) a licensed hospital licensed under part 215 of the code, OR**

**(ii) AN ADULT OR CHILD/ADOLESCENT PSYCHIATRIC SERVICE OR UNIT WITH A WRITTEN COLLABORATIVE AGREEMENT WITH A LICENSED HOSPITAL LICENSED UNDER PART 215 OF THE CODE THAT IS PROVIDED AS PART OF THE APPLICATION AND INCLUDES ALL OF THE FOLLOWING:**

**(A) PROCEDURES FOR JOINT CREDENTIALING CRITERIA AND RECOMMENDATIONS FOR PHYSICIANS APPROVED TO TREAT MEDICAL PSYCHIATRIC PATIENTS**

**(B) PROVISIONS FOR REGULARLY HELD JOINT PSYCHIATRIC AND MEDICAL CONFERENCES TO INCLUDE REVIEW OF ALL MEDICAL PSYCHIATRIC CASES.**

**(C) A MECHANISM TO PROVIDE FOR APPROPRIATE TRANSFERS BETWEEN FACILITIES AND AN AGREED UPON PLAN FOR PROMPT CARE.**

**(D) CONSULTATION ON FACILITIES, EQUIPMENT, STAFFING, ANCILLARY SERVICES, AND POLICIES AND PROCEDURES FOR THE PROVISION OF MEDICAL PSYCHIATRIC TREATMENT.**

(b) The applicant shall submit evidence of accreditation as follows:



- 1221 (i) Documentation of its existing medical psychiatric program by CARF or another nationally-  
1222 recognized accreditation organization for medical psychiatric care and services; or  
1223 (ii) within 24-months of accepting its first patient, the applicant shall obtain CARF or another  
1224 nationally-recognized accreditation organization for the medical psychiatric beds proposed under this  
1225 subsection.  
1226 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for  
1227 medical psychiatric patients.  
1228 (d) Staff, INCLUDING CONTRACTED STAFF, will be specially trained in treatment of medical  
1229 psychiatric patients.  
1230 (e) The proposed beds will serve only medical psychiatric patients.  
1231  
1232 (2) All beds approved pursuant to this subsection shall be certified for Medicaid.  
1233

1234 **SECTION 7. REQUIREMENTS FOR APPROVAL FOR BEDS FROM THE STATEWIDE POOL FOR**  
1235 **SPECIAL POPULATION GROUPS ALLOCATED TO HIGH ACUITY PSYCHIATRIC PATIENTS**  
1236

1237 **SEC 7. THE CON COMMISSION DETERMINES THERE IS A NEED FOR BEDS FOR**  
1238 **APPLICATIONS DESIGNED TO DETERMINE THE EFFICIENCY AND EFFECTIVENESS OF**  
1239 **SPECIALIZED PROGRAMS FOR THE CARE AND TREATMENT OF HIGH ACUITY PSYCHIATRIC**  
1240 **PATIENTS AS COMPARED TO SERVING THESE NEEDS IN A GENERAL PSYCHIATRIC UNIT(S).**  
1241

1242 (1) AN APPLICANT PROPOSING TO BEGIN OPERATIONS OF A NEW ADULT OR  
1243 CHILD/ADOLESCENT PSYCHIATRIC SERVICES OR ADD BEDS TO AN EXISTING ADULT OR  
1244 CHILD/ADOLESCENT PSYCHIATRIC SERVICE UNDER THIS SECTION SHALL DEMONSTRATE  
1245 WITH CREDIBLE DOCUMENTATION TO THE SATISFACTION OF THE DEPARTMENT EACH OF THE  
1246 FOLLOWING:

1247 (a) THE BEDS SHALL BE OPERATED AS PART OF A SPECIALIZED PROGRAM EXCLUSIVELY  
1248 FOR ADULT OR CHILD/ADOLESCENT PATIENTS CLASSIFIED AS HIGH ACUITY.

1249 (b) THE APPLICANT SHALL SUBMIT EVIDENCE WITH CREDIBLE DOCUMENTATION  
1250 ACCEPTABLE TO THE DEPARTMENT OF THE FOLLOWING:

1251 (i) THE PROPOSED UNIT SHALL CONSIST OF A MAJORITY OF PRIVATE ROOMS AND  
1252 SHALL INCLUDE ENVIRONMENTAL SAFETY MEASURES THAT MEET STANDARDS FROM THE  
1253 JOINT COMMISSION AND THE CENTERS FOR MEDICARE AND MEDICAID SERVICES  
1254 THROUGHOUT THE ENTIRE UNIT.

1255 (ii) THE PROPOSED UNIT SHALL HAVE A PHYSICAL ENVIRONMENT DESIGNED TO  
1256 MINIMIZE NOISE AND LIGHT REFLECTIONS TO PROMOTE VISUAL AND SPATIAL ORIENTATION.

1257 (iii) THE PROPOSED UNIT'S STAFF SHALL BE SPECIALLY TRAINED IN THE TREATMENT OF  
1258 HIGH ACUITY PATIENTS WITH NON-VIOLENT INTERVENTION MODALITIES SUCH AS NON-  
1259 ABUSIVE PSYCHOLOGICAL AND PHYSICAL INTERVENTION, CRISIS INTERVENTION INSTITUTE  
1260 TRAINING OR SIMILAR PROGRAMS.

1261 (iv) THE PROPOSED UNIT SHALL DEMONSTRATE A PLAN FOR THE SAFE MANAGEMENT  
1262 OF AGITATED OR AGGRESSIVE PATIENTS

1263 (c) THE PROPOSED BEDS WILL SERVE ONLY HIGH ACUITY PSYCHIATRIC PATIENTS.  
1264

1265 (2) ALL BEDS APPROVED PURSUANT TO THIS SUBSECTION SHALL BE CERTIFIED FOR  
1266 MEDICAID.  
1267

1268 **Section 78. Acquisition of psychiatric beds approved pursuant to this addendum**  
1269

1270 **Sec. 78. (1) An applicant proposing to acquire psychiatric beds from the statewide pool for special**  
1271 **population groups allocated to developmental disability shall meet the following:**

1272 (a) The applicant shall submit evidence of accreditation of the existing developmental disability  
1273 program by the National Association for the Dually Diagnosed (NADD) or another nationally-recognized  
1274 accreditation organization for developmental disability care and services.

1275 (b) Within 24-months of accepting its first patient, the applicant shall obtain NADD or another  
1276 nationally-recognized accreditation organization for the developmental disability beds proposed under this  
1277 subsection.

1278 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for  
1279 developmental disability patients.

1280 (d) Staff will be specially trained in treatment of developmental disability patients.

1281 (e) The proposed beds will serve only developmental disability patients.

1282 (f) All beds approved pursuant to this subsection shall be certified for Medicaid.

1283

1284 (2) An applicant proposing to acquire psychiatric beds from the statewide pool for special population  
1285 groups allocated to geriatric psychiatric shall meet the following:

1286 (a) The applicant shall submit evidence of accreditation of the existing geriatric psychiatric program  
1287 by CARF or another nationally-recognized accreditation organization for geriatric psychiatric care and  
1288 services.

1289 (b) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another  
1290 nationally-recognized accreditation organization for the geriatric psychiatric beds proposed under this  
1291 subsection.

1292 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for  
1293 geriatric psychiatric patients.

1294 (d) Staff will be specially trained in treatment of geriatric psychiatric patients.

1295 (e) The proposed beds will serve only geriatric psychiatric patients.

1296 (f) All beds approved pursuant to this subsection shall be dually certified for Medicare and Medicaid.

1297

1298 (3) An applicant proposing to acquire psychiatric beds from the statewide pool for special population  
1299 groups allocated to medical psychiatric shall meet the following:

1300 (a) The applicant shall submit evidence of accreditation of the existing medical psychiatric program  
1301 by CARF or another nationally-recognized accreditation organization for medical psychiatric care and  
1302 services.

1303 (b) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another  
1304 nationally-recognized accreditation organization for the medical psychiatric beds proposed under this  
1305 subsection.

1306 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for  
1307 medical psychiatric patients.

1308 (d) Staff will be specially trained in treatment of medical psychiatric patients.

1309 (e) The proposed beds will serve only medical psychiatric patients.

1310 (f) All beds approved pursuant to this subsection shall be certified for Medicaid.

1311

1312 **(4) AN APPLICANT PROPOSING TO ACQUIRE PSYCHIATRIC BEDS FROM THE STATEWIDE**  
1313 **POOL FOR SPECIAL POPULATIONS ALLOCATED TO HIGH ACUITY PSYCHIATRY SHALL MEET**  
1314 **THE FOLLOWING:**

1315 **(a) THE PROPOSED UNIT SHALL CONSIST OF A MAJORITY OF PRIVATE ROOMS AND SHALL**  
1316 **INCLUDE ENVIRONMENTAL SAFETY MEASURES THAT MEET STANDARDS FROM THE JOINT**  
1317 **COMMISSION AND THE CENTERS FOR MEDICARE AND MEDICAID SERVICES THROUGHOUT**  
1318 **THE ENTIRE UNIT.**

1319 **(b) THE PROPOSED UNIT SHALL HAVE A PHYSICAL ENVIRONMENT DESIGNED TO MINIMIZE**  
1320 **NOISE AND LIGHT REFLECTIONS TO PROMOTE SPATIAL ORIENTATION.**

1321 **(c) THE PROPOSED UNIT'S STAFF SHALL BE SPECIALLY TRAINED IN THE TREATMENT OF**  
1322 **HIGH ACUITY PATIENTS WITH NON-VIOLENT INTERVENTION MODALITIES SUCH AS NON-**  
1323 **ABUSIVE PSYCHOLOGICAL AND PHYSICAL INTERVENTION, CRISIS INTERVENTION INSTITUTE**  
1324 **TRAINING OR SIMILAR PROGRAMS.**

1325 **(d) THE PROPOSED UNIT SHALL DEMONSTRATE A PLAN FOR THE SAFE MANAGEMENT OF**  
1326 **AGITATED OR AGGRESSIVE PATIENTS.**

1327 **(e) THE PROPOSED BEDS WILL SERVE ONLY HIGH ACUITY PSYCHIATRIC PATIENTS.**

1328 (f) ALL BEDS APPROVED PURSUANT TO THIS SUBSECTION SHALL BE CERTIFIED FOR  
1329 MEDICAID.

1330  
1331 **Section 89. Project delivery requirements -- terms of approval for all applicants seeking approval**  
1332 **under section 3(1) of this addendum**

1333  
1334 **Sec. 89. (1) An applicant shall agree that if approved, the services shall be delivered in compliance**  
1335 **with the terms of approval required by the CON Review Standards for Psychiatric Beds and Services.**

1336  
1337 (2) An applicant for beds from the statewide pool for special population groups allocated to  
1338 developmental disability patients shall agree that, if approved, all beds approved pursuant to that  
1339 subsection shall be operated in accordance with the following terms of CON approval:

1340 (a) The applicant shall document, at the end of the third year following initiation of beds approved an  
1341 annual average occupancy rate of 80 percent or more. If this occupancy rate has not been met, the  
1342 **applicant shall reduce beds to a number of beds necessary to result in aN 80 percent average annual**  
1343 **occupancy for the third full year of operation and annually thereafter.** The number of beds reduced shall  
1344 revert to the total statewide pool established for developmental disability beds.

1345 (b) An applicant shall staff the proposed unit for developmental disability patients with employees  
1346 that have been trained in the care and treatment of such individuals.

1347 (c) An applicant shall maintain NADD certification or another nationally-recognized accreditation  
1348 organization for developmental disability care and services.

1349 (d) An applicant shall establish and maintain written policies and procedures for each of the  
1350 following:

1351 (i) Patient admission criteria that describe minimum and maximum characteristics for patients  
1352 appropriate for admission to the developmental disability unit.

1353 (ii) The transfer of patients requiring care at other health care facilities.

1354 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment  
1355 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.

1356 (e) If the specialized program is being added to an existing adult or child/adolescent psychiatric  
1357 service, then the existing licensed adult or child/adolescent psychiatric service, as applicable, shall  
1358 **maintain the volume requirements outlined in Section 44-13 of the CON Review Standards for Psychiatric**  
1359 **Beds and Services.**

1360 (f) The developmental disability unit shall have a day/dining area within, or immediately adjacent to,  
1361 the unit(s), which is solely for the use of developmental disability patients.

1362 (g) The developmental disability unit shall have direct access to a secure outdoor or indoor area at  
1363 the facility appropriate for supervised activity.

1364 (h) The applicant shall maintain programs to promote a culture within the facility that is appropriate  
1365 for developmental disability patients.

1366  
1367 (3) An applicant for beds from the statewide pool for special population groups allocated to geriatric  
1368 psychiatric patients shall agree that if approved, all beds approved pursuant to that subsection shall be  
1369 operated in accordance with the following terms of CON approval:

1370 (a) The applicant shall document, at the end of the third year following initiation of beds approved an  
1371 annual average occupancy rate of 80 percent or more. If this occupancy rate has not been met, the  
1372 **applicant shall reduce beds to a number of beds necessary to result in aN 80 percent average annual**  
1373 **occupancy for the third full year of operation and annually thereafter.** The number of beds reduced shall  
1374 revert to the total statewide pool established for geriatric psychiatric beds.

1375 (b) An applicant shall staff the proposed unit for geriatric psychiatric patients with employees that  
1376 have been trained in the care and treatment of such individuals.

1377 (c) An applicant shall maintain CARF certification or another nationally-recognized accreditation  
1378 organization for geriatric psychiatric care and services.

1379 (d) An applicant shall establish and maintain written policies and procedures for each of the  
1380 following:

- 1381 (i) Patient admission criteria that describe minimum and maximum characteristics for patients  
1382 appropriate for admission to the geriatric psychiatric unit.
- 1383 (ii) The transfer of patients requiring care at other health care facilities.
- 1384 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment  
1385 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.
- 1386 (e) If the specialized program is being added to an existing adult licensed psychiatric service, then  
1387 **the existing licensed psychiatric service shall maintain the volume requirements outlined in Section 44-13**  
1388 of the CON Review Standards for Psychiatric Beds and Services.
- 1389 (f) The geriatric psychiatric unit shall have a day/dining area within, or immediately adjacent to, the  
1390 unit(s), which is solely for the use of geriatric psychiatric patients.
- 1391 (g) The geriatric psychiatric unit shall have direct access to a secure outdoor or indoor area at the  
1392 facility appropriate for supervised activity.
- 1393 (h) The applicant shall maintain programs to promote a culture within the facility that is appropriate  
1394 for geriatric psychiatric patients.

1395  
1396 (4) An applicant for beds from the statewide pool for special population groups allocated to medical  
1397 psychiatric patients shall agree that, if approved, all beds approved pursuant to that subsection shall be  
1398 operated in accordance with the following CON terms of approval.

1399 (a) The applicant shall document, at the end of the third year following initiation of beds approved an  
1400 annual average occupancy rate of 80 percent or more. If this occupancy rate has not been met, the  
1401 **applicant shall reduce beds to a number of beds necessary to result in aN 80 percent average annual**  
1402 occupancy for the third full year of operation and annually thereafter. The number of beds reduced shall  
1403 revert to the total statewide pool established for medical psychiatric beds.

1404 (b) An applicant shall staff the proposed unit for medical psychiatric patients with employees that  
1405 have been trained in the care and treatment of such individuals.

1406 (c) An applicant shall maintain CARF certification or another nationally-recognized accreditation  
1407 organization for medical psychiatric care and services.

1408 (d) An applicant shall establish and maintain written policies and procedures for each of the  
1409 following:

1410 (i) Patient admission criteria that describe minimum and maximum characteristics for patients  
1411 appropriate for admission to the medical psychiatric unit.

1412 (ii) The transfer of patients requiring care at other health care facilities.

1413 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment  
1414 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.

1415 (e) If the specialized program is being added to an existing licensed adult or child/adolescent  
1416 psychiatric service, then the existing adult or child/adolescent psychiatric service, as applicable, shall  
1417 **maintain the volume requirements outlined in Section 44-13 of the CON Review Standards for Psychiatric**  
1418 **Beds and Services.**

1419 (f) The medical psychiatric unit shall have a day/dining area within, or immediately adjacent to, the  
1420 unit(s), which is solely for the use of medical psychiatric patients.

1421 (g) The medical psychiatric unit shall have direct access to a secure outdoor or indoor area at the  
1422 facility appropriate for supervised activity.

1423 (h) The applicant shall maintain programs to promote a culture within the facility that is appropriate  
1424 for medical psychiatric patients.

1425  
1426 **(5) AN APPLICANT FOR BEDS FROM THE STATEWIDE POOL FOR SPECIAL POPULATION**  
1427 **GROUPS ALLOCATED TO HIGH ACUITY PSYCHIATRIC PATIENTS SHALL AGREE THAT, IF**  
1428 **APPROVED, ALL BEDS APPROVED PURSUANT TO THAT SUBSECTION SHALL BE OPERATED IN**  
1429 **ACCORDANCE WITH THE FOLLOWING TERMS OF CON APPROVAL:**

1430 **(a) THE APPLICANT SHALL DOCUMENT, AT THE END OF THE THIRD YEAR FOLLOWING**  
1431 **INITIATION OF BEDS APPROVED, AND THEREAFTER, AN ANNUAL AVERAGE OCCUPANCY RATE**  
1432 **OF 80 PERCENT OR MORE. IF THIS OCCUPANCY RATE HAS NOT BEEN MET, THE APPLICANT**  
1433 **SHALL REDUCE BEDS TO A NUMBER OF BEDS NECESSARY TO RESULT IN AN 80 PERCENT**

1434 AVERAGE ANNUAL OCCUPANCY FOR THE THIRD FULL YEAR OF OPERATION AND ANNUALLY  
1435 THEREAFTER. THE NUMBER OF BEDS REDUCED SHALL REVERT TO THE TOTAL STATEWIDE  
1436 POOL ESTABLISHED FOR HIGH ACUITY PSYCHIATRIC PATIENTS.

1437 (b) THE HIGH ACUITY UNIT SHALL CONSIST OF A MAJORITY OF PRIVATE ROOMS AND SHALL  
1438 INCLUDE ENVIRONMENTAL SAFETY MEASURES THAT MEET STANDARDS FROM THE JOINT  
1439 COMMISSION AND THE CENTERS FOR MEDICARE AND MEDICAID SERVICES THROUGHOUT  
1440 THE ENTIRE UNIT.

1441 (c) THE HIGH ACUITY UNIT SHALL HAVE A PHYSICAL ENVIRONMENT DESIGNED TO MINIMIZE  
1442 NOISE AND LIGHT REFLECTIONS TO PROMOTE VISUAL AND SPATIAL ORIENTATION.

1443 (d) THE PROPOSED UNIT'S STAFF SHALL BE SPECIALLY TRAINED IN THE TREATMENT OF  
1444 HIGH ACUITY PATIENTS WITH NON-VIOLENT INTERVENTION MODALITIES SUCH AS NON-  
1445 ABUSIVE PSYCHOLOGICAL AND PHYSICAL INTERVENTION, CRISIS INTERVENTION INSTITUTE  
1446 TRAINING OR SIMILAR PROGRAMS.

1447 (e) THE PROPOSED UNIT SHALL DEMONSTRATE A PLAN FOR THE SAFE MANAGEMENT OF  
1448 AGITATED OR AGGRESSIVE PATIENTS.

1449 (f) THE HIGH ACUITY UNIT SHALL ESTABLISH AND MAINTAIN WRITTEN POLICIES AND  
1450 PROCEDURES FOR EACH OF THE FOLLOWING:

1451 (i) PATIENT ADMISSION CRITERIA THAT DESCRIBE MINIMUM AND MAXIMUM  
1452 CHARACTERISTICS FOR PATIENTS APPROPRIATE FOR ADMISSION TO THE UNIT FOR HIGH  
1453 ACUITY PATIENTS.

1454 (ii) QUALITY ASSURANCE AND ASSESSMENT PROGRAM TO ASSURE THAT SERVICES  
1455 FURNISHED TO HIGH ACUITY PATIENTS MEET PROFESSIONALLY RECOGNIZED STANDARDS OF  
1456 HEALTH CARE FOR PROVIDERS OF SUCH SERVICES AND THAT SUCH SERVICES WERE  
1457 REASONABLE AND MEDICALLY APPROPRIATE TO THE CLINICAL CONDITION OF THE HIGH  
1458 ACUITY PATIENT RECEIVING SUCH SERVICES.

1459 (iii) ORIENTATION AND ANNUAL EDUCATION/COMPETENCIES FOR ALL STAFF, WHICH SHALL  
1460 INCLUDE CARE GUIDELINES, SPECIALIZED COMMUNICATION AND PATIENT SAFETY.

1461 (g) IF THE SPECIALIZED PROGRAM IS BEING ADDED TO AN EXISTING LICENSED ADULT OR  
1462 CHILD/ADOLESCENT PSYCHIATRIC SERVICE, THEN THE EXISTING ADULT OR  
1463 CHILD/ADOLESCENT PSYCHIATRIC SERVICE, AS APPLICABLE, SHALL MAINTAIN THE VOLUME  
1464 REQUIREMENTS OUTLINED IN SECTION 13 OF THE CON REVIEW STANDARDS FOR  
1465 PSYCHIATRIC BEDS AND SERVICES.

1466  
1467 **Section 910. Comparative reviews, effect on prior CON review standards**

1468  
1469 Sec. 910. (1) Projects proposed under Section 4 shall be considered a distinct category and shall be  
1470 subject to comparative review on a statewide basis.

1471  
1472 (2) Projects proposed under Section 5 shall be considered a distinct category and shall be subject to  
1473 comparative review on a statewide basis.

1474  
1475 (3) Projects proposed under Section 6 shall be considered a distinct category and shall be subject to  
1476 comparative review on a statewide basis.

1477  
1478 (4) PROJECTS PROPOSED UNDER SECTION 7 SHALL BE CONSIDERED A DISTINCT  
1479 CATEGORY AND SHALL BE SUBJECT TO COMPARATIVE REVIEW ON A STATEWIDE BASIS.