

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.

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

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

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

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

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

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

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

51 (i) licensed adult and child/adolescent psychiatric beds; and

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

54 (k) "Existing adult inpatient psychiatric beds" or "existing adult beds" means:
55 (i) all adult beds in psychiatric hospitals or units licensed by the Department pursuant to the Mental
56 Health Code;
57 (ii) all adult beds approved by a valid CON, which are not yet licensed;
58 (iii) proposed adult beds under appeal from a final Department decision, or pending a hearing from a
59 proposed decision; and
60 (iv) proposed adult beds that are part of a completed application (other than the application or
61 applications in the comparative group under review) which are pending final Department decision.
62 (l) "Existing child/adolescent inpatient psychiatric beds" or "existing child/adolescent beds" means:
63 (i) all child/adolescent beds in psychiatric hospitals or units licensed by the Department pursuant to
64 the Mental Health Code;
65 (ii) all child/adolescent beds approved by a valid CON, which are not yet licensed;
66 (iii) proposed child/adolescent beds under appeal from a final Department decision, or pending a
67 hearing from a proposed decision; and
68 (iv) proposed child/adolescent beds that are part of a completed application (other than the
69 application or applications in the comparative group under review) which are pending final Department
70 decision.
71 (m) "Flex bed" means an existing adult psychiatric bed converted to a child/adolescent psychiatric
72 bed in an existing child/adolescent psychiatric service to accommodate during peak periods and meet
73 patient demand.
74 (n) "Initiation of service" means the establishment of an inpatient psychiatric unit with a specified
75 number of beds at a site not currently providing psychiatric services.
76 (o) "Involuntary commitment status" means a hospital admission effected pursuant to the provisions
77 of MCL 330.1423 to 330.1429.
78 (p) "Licensed site" means the location of the facility authorized by license and listed on that
79 licensee's certificate of licensure.
80 (q) "Medicaid" means title XIX of the Social Security Act, chapter 531, 49 Stat. 620, 1396 to 1396g
81 and 1396i to 1396u.
82 (r) "Mental Health Code" means Act 258 of the Public Acts of 1974, as amended, being Sections
83 330.1001 to 330.2106 of the Michigan Compiled Laws.
84 (s) "Mental health professional" means an individual who is trained and experienced in the area of
85 mental illness or developmental disabilities and who is any 1 of the following:
86 (i) a physician who is licensed to practice medicine or osteopathic medicine and surgery in Michigan
87 and who has had substantial experience with mentally ill, mentally retarded, or developmentally disabled
88 clients for 1 year immediately preceding his or her involvement with a client under administrative rules
89 promulgated pursuant to the Mental Health Code;
90 (ii) a psychologist who is licensed in Michigan pursuant to the provisions of MCL 333.16101 to
91 333.18838;
92 (iii) a licensed master's social worker licensed in Michigan Pursuant to the provisions of MCL
93 333.16101 to 333.18838;
94 (iv) a registered nurse who is licensed in Michigan pursuant to the provisions of MCL 333.16101 to
95 333.18838;
96 (v) a licensed professional counsel or licensed in Michigan pursuant to the provisions of MCL
97 333.16101 to 333.18838;
98 (vi) a marriage and family therapist licensed in Michigan pursuant to the provisions of MCL
99 333.16101 to 333.18838;
100 (vii) a professional person, other than those defined in the administrative rules promulgated pursuant
101 to the Mental Health Code, who is designated by the Director of the Department or a director of a facility
102 operated by the Department in written policies and procedures. This mental health professional shall
103 have a degree in his or her profession and shall be recognized by his or her respective professional
104 association as being trained and experienced in the field of mental health. The term does not include
105 non-clinical staff, such as clerical, fiscal or administrative personnel.

- 106 (t) "Mental health service" means the provision of mental health care in a protective environment
107 with mental illness or mental retardation, including, but not limited to, chemotherapy and individual and
108 group therapies pursuant to MCL 330.2001.
- 109 (u) "Non-renewal or revocation of license" means the Department did not renew or revoked the
110 psychiatric hospital's or unit's license based on the hospital's or unit's failure to comply with state licensing
111 standards.
- 112 (v) "Non-renewal or termination of certification" means the psychiatric hospital's or unit's Medicare
113 and/or Medicaid certification was terminated or not renewed based on the hospital's or unit's failure to
114 comply with Medicare and/or Medicaid participation requirements.
- 115 (w) "Offer" means to provide inpatient psychiatric services to patients.
- 116 (x) "Physician" means an individual licensed in Michigan to engage in the practice of medicine or
117 osteopathic medicine and surgery pursuant to MCL 333.16101 to 333.18838.
- 118 (y) "Planning area" means the geographic boundaries of the groups of counties shown in Section 17.
- 119 (z) "Planning year" means a year in the future, at least 3 years but no more than 7 years, for which
120 inpatient psychiatric bed needs are developed. The planning year shall be a year for which official
121 population projections from the Department of Technology, Management and Budget or its designee are
122 available.
- 123 (aa) "Psychiatric hospital" means an inpatient program operated by the Department for the treatment
124 of individuals with serious mental illness or serious emotional disturbance or a psychiatric hospital or
125 psychiatric unit licensed under pursuant to MCL 330.1137.
- 126 (bb) "Psychiatrist" means 1 or more of the following, pursuant to MCL 330.1100c:
- 127 (i) a physician who has completed a residency program in psychiatry approved by the Accreditation
128 Council for Graduate Medical Education or The American Osteopathic Association, or who has completed
129 12 months of psychiatric rotation and is enrolled in an approved residency program;
- 130 (ii) a psychiatrist employed by or under contract with the Department or a community health services
131 program on March 28, 1996;
- 132 (iii) a physician who devotes a substantial portion of his or her time to the practice of psychiatry and
133 is approved by the Director.
- 134 (cc) "Psychiatric unit" means a unit of a general hospital that provides inpatient services for individuals
135 with serious mental illness or serious emotional disturbances pursuant to MCL 330.1100c.
- 136 (dd) "Psychologist" means an individual licensed to engage in the practice of psychology, who devotes
137 a substantial portion of his or her time to the diagnosis and treatment of individuals with serious mental
138 illness, serious emotional disturbance, or developmental disability, pursuant to MCL 333.16101 to
139 333.18838.
- 140 (ee) "Public patient" means an individual approved for mental health services by a CMH or an
141 individual who is admitted as a patient under the Mental Health Code, Act No. 258 of the Public Acts of
142 1974, being Sections 330.1423, 330.1429, and 330.1438 of the Michigan Compiled Laws.
- 143 (ff) "Qualifying project" means each application in a comparative group which has been reviewed
144 individually and has been determined by the Department to have satisfied all of the requirements of
145 Section 22225 of the Code, being Section 333.22225 of the Michigan Compiled Laws, and all other
146 applicable requirements for approval in the Code and these standards.
- 147 (gg) "Registered professional nurse" or "R.N." means an individual licensed in Michigan pursuant to
148 the provisions of MCL 333.16101 to 333.18838.
- 149 (hh) "Relocate existing licensed inpatient psychiatric beds" means a change in the location of existing
150 inpatient psychiatric beds from the existing licensed psychiatric hospital site to a different existing
151 licensed psychiatric hospital site within the same planning area. This definition does not apply to projects
152 involving replacement beds in a psychiatric hospital or unit governed by Section 7 of these standards.
- 153 (ii) "Replace beds" means a change in the location of the licensed psychiatric hospital or unit, or the
154 replacement of a portion of the licensed beds at the same licensed site. The beds will be in new physical
155 plant space being developed in new construction or in newly acquired space (purchase, lease, donation,
156 etc.) within the replacement zone.
- 157 (jj) "Replacement zone" means a proposed licensed site that is:
- 158 (i) in the same planning area as the existing licensed site; and

159 (ii) on the same site, on a contiguous site, or on a site within 15 miles of the existing licensed site.
160 (kk) "Social worker" means an individual registered in Michigan to engage in social work under the
161 provisions of MCL 333.18501.

162
163 (2) The terms defined in the Code have the same meanings when used in these standards.
164

165 **Section 3. Determination of needed inpatient psychiatric bed supply** 166

167 Sec. 3. (1) Until changed by the Commission in accordance with Section 5, the use rate for the base
168 year for the population age 0-17 is set forth in Appendix B.
169

170 (2) The number of child/adolescent inpatient psychiatric beds needed in a planning area shall be
171 determined by the following formula:

172 (a) Determine the population for the planning year for each separate planning area for the population
173 age 0-17.

174 (b) Multiply the population by the use rate established in Appendix B. The resultant figure is the total
175 patient days.

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

178 (d) Divide the ADC by 0.75.

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

182 (f) The adjusted bed need for the planning area is the sum of the results of subsections (d) and (e).
183 round up to the nearest whole number.
184

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

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

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

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

196 (d) The adjusted bed need for the planning area is the sum of the results of subsections (b) and (c).
197

198 **Section 4. Bed need for inpatient psychiatric beds** 199

200 Sec. 4. (1) The bed need numbers determined pursuant to Section 3 shall apply to projects subject to
201 review under these standards, except where a specific CON review standard states otherwise.
202

203 (2) The Department shall apply the bed need methodologies in Section 3 on a biennial basis.
204

205 (3) The effective date of the bed need numbers shall be established by the Commission.
206

207 (4) New bed need numbers shall supercede previous bed need numbers and shall be posted on the
208 State of Michigan CON web site as part of the Psychiatric Bed Inventory.
209

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

213
214 **Section 5. Modification of the child/adolescent use rate by changing the base year**

215
216 Sec. 5. (1) The Commission may modify the base year based on data obtained from the Department
217 and presented to the Commission. The Department shall calculate the use rate for the population age 0-
218 17 and biennially present the revised use rate based on the most recent base year information available
219 biennially to the CON Commission.

220
221 (2) The Commission shall establish the effective date of the modifications made pursuant to
222 subsection (1).

223
224 (3) Modifications made by the Commission pursuant to subsection (1) shall not require Standard
225 Advisory Committee action, a public hearing, or submittal of the standard to the Legislature and the
226 Governor in order to become effective.

227
228 **Section 6. Requirements for approval to initiate service**

229
230 Sec. 6. An applicant proposing the initiation of an adult or child/adolescent psychiatric service shall
231 demonstrate or provide the following:

232
233 (1) The number of beds proposed in the CON application shall not result in the number of existing
234 adult or child/adolescent psychiatric beds, as applicable, in the planning area exceeding the bed need.
235 However, an applicant may request and be approved for up to a maximum of 10 beds if, when the total
236 number of existing adult beds or existing child/adolescent beds is subtracted from the bed need for the
237 planning area, the difference is equal to or more than 1 or less than 10.

238
239 (2) A written recommendation, from the Department or the CMH that serves the county in which the
240 proposed beds or service will be located, shall include an agreement to enter into a contract to meet the
241 needs of the public patient. At a minimum, the letter of agreement shall specify the number of beds to be
242 allocated to the public patient and the applicant's intention to serve patients with an involuntary
243 commitment status.

244
245 (3) The number of beds proposed in the CON application to be allocated for use by public patients
246 shall not be less than 50% of the beds proposed in the CON application. Applications proposed in direct
247 response to a Department plan pursuant to subsection (5) shall allocate not less than 80% of the beds
248 proposed in the CON application.

249
250 (4) The minimum number of beds in a psychiatric unit shall be at least 10 beds. If a psychiatric unit
251 has or proposes to operate both adult and child/adolescent beds, each unit shall have a minimum of 10
252 beds. The Department may approve an application for a unit of less than 10 beds, if the applicant
253 demonstrates to the satisfaction of the Department, that travel time to existing units would significantly
254 limit access to care.

255
256 (5) An applicant shall not be required to be in compliance with subsection (1) if the applicant
257 demonstrates that the application meets both of the following:

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

262 (b) The proposed beds will be located in the area currently served by the public institution that will be
263 closed, as determined by the Department.
264

265
266 **Section 7. Requirements for approval to replace beds**
267

268 Sec. 7. An applicant proposing to replace beds shall not be required to be in compliance with the
269 needed bed supply if the applicant demonstrates all of the following:
270

271 (1) The applicant shall specify whether the proposed project is to replace the existing licensed
272 psychiatric hospital or unit to a new site or to replace a portion of the licensed psychiatric beds at the
273 existing licensed site.
274

275 (2) The proposed licensed site is in the replacement zone.
276

277 (3) Not less than 50% of the beds proposed to be replaced shall be allocated for use by public
278 patients.
279

280 (4) Previously made commitments, if any, to the Department or CMH to serve public patients have
281 been fulfilled.
282

283 (5) Proof of current contract or documentation of contract renewal, if current contract is under
284 negotiation, with the CMH or its designee that serves the planning area in which the proposed beds or
285 service will be located.
286

287 **Section 8. Requirements for approval of an applicant proposing to relocate existing licensed**
288 **inpatient psychiatric beds**
289

290 Sec. 8. (1) The proposed project to relocate beds, under this section, shall constitute a change in bed
291 capacity under Section 1(3) of these standards.
292

293 (2) Any existing licensed inpatient psychiatric hospital or unit may relocate all or a portion of its beds
294 to another existing licensed inpatient psychiatric hospital or unit located within the same planning area.
295

296 (3) The inpatient psychiatric hospital or unit from which the beds are being relocated, and the
297 inpatient psychiatric hospital or unit receiving the beds, shall not require any ownership relationship.
298

299 (4) The relocated beds shall be licensed to the receiving inpatient psychiatric hospital or unit and will
300 be counted in the inventory for the applicable planning area.
301

302 (5) The relocation of beds under this section shall not be subject to a mileage limitation.
303

304 (6) The relocation of beds under this section shall not result in initiation of a new adult or
305 child/adolescent service **EXCEPT FOR AN EXISTING ADULT INPATIENT PSYCHIATRIC SERVICE**
306 **REQUESTING TO INITIATE A CHILD/ADOLESCENT INPATIENT PSYCHIATRIC SERVICE IN AN**
307 **OVERBEDDED CHILD/ADOLESCENT PLANNING AREA PURSUANT TO SECTION 9(11).**
308

309 **Section 9. Requirements for approval to increase beds**
310

311 Sec. 9. An applicant proposing an increase in the number of adult or child/adolescent beds shall
312 demonstrate or provide the following:
313

314 (1) The number of beds proposed in the CON application will not result in the number of existing
315 adult or child/adolescent psychiatric beds, as applicable, in the planning area exceeding the bed need.
316 However, an applicant may request and be approved for up to a maximum of 10 beds if, when the total
317 number of existing adult beds or existing child/adolescent beds is subtracted from the bed need for the
318 planning area, the difference is equal to or more than 1 or less than 10.
319

320 (2) The average occupancy rate for the applicant's facility, where the proposed beds are to be
321 located, was at least 70% for adult or child/adolescent beds, as applicable, during the most recent,
322 consecutive 12-month period, as of the date of the submission of the application, for which verifiable data
323 are available to the Department. For purposes of this section, average occupancy rate shall be
324 calculated as follows:

325 (a) Divide the number of patient days of care provided by the total number of patient days, then
326 multiply the result by 100.
327

328 (3) Subsections (1) and (2) shall not apply if all of the following are met:

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

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

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

336 (i) For a facility with flex beds,

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

338 (1) For adult beds:

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

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

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

345 (2) For child/adolescent beds:

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

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

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

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

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

356 (iii) Subtract the number of currently licensed beds from the number calculated in (ii) above. This is
357 the maximum number of beds that may be approved pursuant to this subsection.
358

359 (4) Proof of current contract or documentation of contract renewal, if current contract is under
360 negotiation, with at least one CMH or its designee that serves the planning area in which the proposed
361 beds or service will be located.
362

363 (5) Previously made commitments, if any, to the Department or CMH to serve public patients have
364 been fulfilled.
365

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

370
371 (7) The minimum number of beds in a psychiatric unit shall be at least 10 beds. If a psychiatric unit
372 has or proposes to operate both adult and child/adolescent beds, then each unit shall have a minimum of
373 10 beds. The Department may approve an application for a unit of less than 10 beds, if the applicant
374 demonstrates, to the satisfaction of the Department, that travel time to existing units would significantly
375 impair access to care.

376
377 (8) Subsection (2) shall not apply if the Director of the Department has certified in writing that the
378 proposed project is a direct response to a Department plan for reducing the use of public institutions for
379 acute mental health care through the closure of a state-owned psychiatric hospital.

380
381 (9) An applicant shall not be required to be in compliance with subsection (1) if the applicant
382 demonstrates that the application meets both of the following:

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

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

389
390 (10) An applicant proposing to add new adult and/or child/adolescent psychiatric beds, as the
391 receiving licensed inpatient psychiatric hospital or unit under Section 8, shall demonstrate that it meets all
392 of the requirements of this subsection and shall not be required to be in compliance with the bed need if
393 the application meets all other applicable CON review standards and agrees and assures to comply with
394 all applicable project delivery requirements.

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

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

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

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

402
403 **(11) AN APPLICANT PROPOSING TO INITIATE A NEW CHILD/ADOLESCENT PSYCHIATRIC**
404 **SERVICE, AS THE RECEIVING LICENSED INPATIENT PSYCHIATRIC HOSPITAL OR UNIT UNDER**
405 **SECTION 8(6), SHALL DEMONSTRATE THAT IT MEETS ALL OF THE REQUIREMENTS OF THIS**
406 **SUBSECTION AND SHALL NOT BE REQUIRED TO BE IN COMPLIANCE WITH THE BED NEED IF**
407 **THE APPLICATION MEETS ALL OTHER APPLICABLE CON REVIEW STANDARDS AND AGREES**
408 **AND ASSURES TO COMPLY WITH ALL APPLICABLE PROJECT DELIVERY REQUIREMENTS.**

409 **(a) THE APPROVAL OF THE PROPOSED NEW INPATIENT PSYCHIATRIC BEDS SHALL NOT**
410 **RESULT IN AN INCREASE IN THE NUMBER OF LICENSED INPATIENT PSYCHIATRIC BEDS IN THE**
411 **PLANNING AREA.**

412 **(b) THE APPLICANT MEETS THE REQUIREMENTS OF SUBSECTIONS (4), (5), AND (6) ABOVE.**

413 **(c) THE APPLICANT IS REQUESTING A MINIMUM OF 10 CHILD/ADOLSCENT PSYCHIATRIC**
414 **BEDS TO A MAXIMUM OF 20 BEDS.**

415 **(d) THE APPLICANT:**

416 **(i) IS RELATED THROUGH COMMON OWNERSHIP, IN WHOLE OR IN PART, OR THROUGH**
417 **COMMON CONTROL, WITH AN ACUTE-CARE HOSPITAL THAT HAS AN EMERGENCY**
418 **DEPARTMENT THAT PROVIDES 24-HOUR EMERGENCY CARE SERVICES AND WHERE**

419 CHILD/ADOLESCENT PATIENTS WITH A PSYCHIATRIC AND/OR DEVELOPMENTAL DISABILITY
420 DIAGNOSIS PRESENT AT AN AVERAGE OF AT LEAST 100 VISITS PER YEAR FOR EACH OF THE
421 THREE MOST RECENT YEARS IN WHICH THERE IS DATA VERIFIABLE BY THE DEPARTMENT;
422 AND
423 (ii) HAS AN AGREEMENT WITH THE ACUTE-CARE HOSPITAL TO GIVE PRIMARY
424 CONSIDERATION FOR ADMISSION OF CHILD/ADOLESCENT PATIENTS FROM THE ACUTE-CARE
425 HOSPITAL'S EMERGENCY DEPARTMENT IN NEED OF AN INPATIENT PSYCHIATRIC HOSPITAL
426 ADMISSION.
427 (iii) HAS A COLLABORATIVE AGREEMENT WITH AN EXISTING CHILD/ADOLESCENT
428 PSYCHIATRIC HOSPITAL OR UNIT FOR CONSULTATION AND SUPPORTIVE SERVICES WITH A
429 PROPOSED TERM OF NOT LESS THAN TWELVE MONTHS AFTER IMPLEMENTATION.
430 (e) THE PROPOSED SITE FOR THE NEW CHILD/ADOLESCENT BEDS HAS NOT PREVIOUSLY
431 BEEN APPROVED FOR BEDS UNDER THIS SUB-SECTION.
432 (f) THE PROPOSED PROJECT TO ADD NEW CHILD ADOLESCENT PSYCHIATRIC BEDS,
433 UNDER THIS SUBSECTION, SHALL CONSTITUTE A CHANGE IN BED CAPACITY UNDER SECTION
434 1(2) OF THESE STANDARDS.
435 (g) APPLICANTS PROPOSING TO ADD NEW CHILD/ADOLESCENT PSYCHIATRIC BEDS
436 UNDER THIS SUBSECTION SHALL NOT BE SUBJECT TO COMPARATIVE REVIEW.

437 438 **Section 10. Requirements for approval for flex beds**

439
440 Sec. 10. An applicant proposing flex beds shall demonstrate the following as applicable to the
441 proposed project:

- 442
443 (1) The applicant has existing adult psychiatric beds and existing child/adolescent psychiatric beds.
444
445 (2) The number of flex beds proposed in the CON application shall not result in the existing adult
446 psychiatric unit to become non-compliant with the minimum size requirements within Section 6(4).
447
448 (3) The applicant shall meet all applicable sections of the standards.
449
450 (4) The facility shall be in compliance and meet all design standards of the most recent Minimum
451 Design Standards for Health Care Facilities in Michigan.
452
453 (5) The applicant shall convert the beds back to adult inpatient psychiatric beds if the bed has not
454 been used as a flex bed serving a child/adolescent patient for a continuous 12-month period or if the CON
455 application is withdrawn.

456 457 **Section 11. Requirements for approval for acquisition of a psychiatric hospital or unit**

458
459 Sec. 11. An applicant proposing to acquire a psychiatric hospital or unit shall not be required to be in
460 compliance with the needed bed supply, for the planning area in which the psychiatric hospital or unit
461 subject to the proposed acquisition is located, if the applicant demonstrates that all of the following are
462 met:

- 463
464 (1) The acquisition will not result in a change in the number of licensed beds or beds designated for a
465 child/adolescent specialized psychiatric program.
466
467 (2) The licensed site does not change as a result of the acquisition.
468

469 470 **Section 12. Additional requirements for applications included in comparative review**

471 Sec. 12. (1) Any application subject to comparative review under Section 22229 of the Code, being
472 Section 333.22229 of the Michigan Compiled Laws, or under these standards, shall be grouped and
473 reviewed comparatively with other applications in accordance with the CON rules.
474

475 (2) Each application in a comparative group shall be individually reviewed to determine whether the
476 application has satisfied all the requirements of Section 22225 of the Code being Section 333.22225 of
477 the Michigan Compiled Laws and all other applicable requirements for approval in the Code and these
478 standards. If the Department determines that two or more competing applications satisfy all of the
479 requirements for approval, these projects shall be considered qualifying projects. The Department shall
480 approve those qualifying projects which, when taken together, do not exceed the need, as defined in
481 Section 22225(1) of the Code, and which have the highest number of points when the results of
482 subsection (3) are totaled. If two or more qualifying projects are determined to have an identical number
483 of points, then the Department shall approve those qualifying projects which, when taken together, do not
484 exceed the need, in the order in which the applications were received by the Department, based on the
485 date and time stamp placed on the applications by the Department in accordance with rule 325.9123.
486

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

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

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

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

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

502 (f) A qualifying project will be awarded 3 points if the applicant currently provides a partial
503 hospitalization psychiatric program, outpatient psychiatric services, or psychiatric aftercare services, or
504 the applicant includes any of these services as part of their proposed project, as demonstrated by site
505 plans and service contracts.

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

510 (h) A qualifying project will have points awarded based on the percentage of the hospital's indigent
511 volume as set forth in the following table.
512

513	Hospital Indigent	Points
514	<u>Volume</u>	<u>Awarded</u>
515		
516	0 - <6%	1
517	6 - <11%	2
518	11 - <16%	3
519	16 - <21%	4
520	21 - <26%	5
521	26 - <31%	6
522	31 - <36%	7
523	36 - <41%	8

524	41 - <46%	9
525	46% +	10
526		

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

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

539	Psychiatric Hospital/Unit	
540	<u>Compliance Action</u>	<u>Points Deducted</u>
542	Non-renewal or revocation of license	4
544	Non-renewal or termination of:	
546	Certification - Medicare	4
547	Certification - Medicaid	4

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

557
558 **Section 13. Requirements for approval -- all applicants**

559
560 Sec. 13. (1) An applicant shall provide verification of Medicaid participation. An applicant that is a
561 new provider not currently enrolled in Medicaid shall certify that proof of Medicaid participation will be
562 provided to the Department within six (6) months from the offering of services if a CON is approved.

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

565
566 (3) The applicant certifies that the health facility for the proposed project has not been cited for a
567 state or federal code deficiency within the 12 months prior to the submission of the application. If a code
568 deficiency has been issued, then the applicant shall certify that a plan of correction for cited state or
569 federal code deficiencies at the health facility has been submitted and approved by the Bureau of Health
570 Systems within the Department or, as applicable, the Centers for Medicare and Medicaid Services. If
571 code deficiencies include any unresolved deficiencies still outstanding with the Department or the Centers
572 for Medicare and Medicaid Services that are the basis for the denial, suspension, or revocation of an
573 applicant's health facility license, poses an immediate jeopardy to the health and safety of patients, or
574 meets a federal conditional deficiency level, the proposed project cannot be approved without approval
575 from the Bureau of Health Systems.

576

577 **Section 14. Project delivery requirements - terms of approval for all applicants**
578

579 Sec. 14. An applicant shall agree that, if approved, the project shall be delivered in compliance with
580 the following terms of CON approval:

581 (1) Compliance with these standards.
582

583 (2) Compliance with the following applicable quality assurance standards:
584

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

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

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

596 (d) The inpatient psychiatric hospital or unit shall provide clinical, administrative, and support
597 services that will be at a level sufficient to accommodate patient needs and volume, and will be provided
598 seven days a week to assure continuity of services and the capacity to deal with emergency admissions.
599

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

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

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

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

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

608 (iii) maintain information by payor and non-paying sources to indicate the volume of care from each
609 source provided annually. Compliance with selective contracting requirements shall not be construed as
610 a violation of this term.
611

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

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

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

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

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

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

623 (b) Flex beds approved under section 10 shall be counted as existing adult inpatient psychiatric
624 beds.

625 (c) After the second 12 months of operation, if the average occupancy rate is below 60% for adult
626 beds or 40% for child/adolescent beds, the number of beds shall be reduced to achieve a minimum of
627 60% average annual occupancy for adult beds or 40% annual average occupancy for child/adolescent
628 beds for the revised licensed bed complement. However, the psychiatric hospital or unit shall not be
629 reduced to less than 10 beds.

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

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

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

647
648 (5) Compliance with this Section shall be determined by the Department based on a report submitted
649 by the applicant and/or other information available to the Department.

650
651 (6) Nothing in this section prohibits the Department from taking compliance action under MCL
652 333.22247.

653
654 (7) The agreements and assurances required by this Section shall be in the form of a certification
655 agreed to by the applicant or its authorized agent.

656
657 **Section 15. Project delivery requirements - additional terms of approval for child/adolescent**
658 **service**

659
660 Sec. 15. (1) In addition to the provisions of Section 14, an applicant for a child/adolescent service
661 shall agree to operate the program in compliance with the following terms of CON approval, as
662 applicable:

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

- 666 (i) a child/adolescent psychiatrist;
- 667 (ii) a child psychologist;
- 668 (iii) a psychiatric nurse;
- 669 (iv) a psychiatric social worker;
- 670 (v) an occupational therapist or recreational therapist; and

671 (b) There shall be a recipient rights officer employed by the hospital or the program.

672 (c) The applicant shall identify a staff member(s) whose assigned responsibilities include discharge
673 planning and liaison activities with the home school district(s).

674 (d) There shall be the following minimum staff employed either on a full time basis or access to on a
675 consulting basis as needed:

- 676 (i) a pediatrician;
- 677 (ii) a child neurologist;
- 678 (iii) a neuropsychologist;
- 679 (iv) a speech and language therapist;
- 680 (v) an audiologist; and
- 681 (vi) a dietician.

682 (e) A child/adolescent service shall have the capability to determine that each inpatient admission is
683 the appropriate treatment alternative consistent with Section 498e of the Mental Health Code, being
684 Section 330.1498e of the Michigan Compiled Laws.

685 (f) The child/adolescent service shall develop and maintain a coordinated relationship with the home
686 school district of any patient to ensure that all public education requirements are met.

687 (g) The applicant shall demonstrate that the child/adolescent service is integrated within the
688 continuum of mental health services available in its planning area by establishing a formal agreement with
689 the CMH(s) serving the planning area in which the child/adolescent specialized psychiatric program is
690 located. The agreement shall address admission and discharge planning issues which include, at a
691 minimum, specific procedures for referrals for appropriate community services and for the exchange of
692 information with the CMH(s), the probate court(s), the home school district, the Michigan Department of
693 Human Services, the parent(s) or legal guardian(s) and/or the patient's attending physician.

694
695 (2) Compliance with this Section shall be determined by the Department based on a report submitted
696 by the program and/or other information available to the Department.

697
698 (3) The agreements and assurances required by this Section shall be in the form of a certification
699 agreed to by the applicant or its authorized agent.

700

701 **Section 16. Department inventory of beds**

702

703 Sec. 16. The Department shall maintain, and provide on request, a listing of the Department Inventory
704 of Beds for each adult and child/adolescent planning area.

705

706 **Section 17. Planning areas**

707

708 Sec. 17. The planning areas for inpatient psychiatric beds are the geographic boundaries of the
709 groups of counties as follows.

710

711 **Planning Areas**

711 **Counties**

712 1 Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, Wayne

713

714 2 Clinton, Eaton, Hillsdale, Ingham, Jackson, Lenawee

715

716 3 Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van
717 Buren

718

719 4 Allegan, Ionia, Kent, Lake, Mason, Montcalm, Muskegon, Newaygo,
720 Oceana, Ottawa

721

722 5 Genesee, Lapeer, Shiawassee

723

724 6 Arenac, Bay, Clare, Gladwin, Gratiot, Huron, Iosco, Isabella, Midland,
725 Mecosta, Ogemaw, Osceola, Oscoda, Saginaw, Sanilac, Tuscola

726

727 7 Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford,
728 Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee,
729 Montmorency, Otsego, Presque Isle, Roscommon, Wexford

730

731 8 Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron,
732 Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon,
733 Schoolcraft

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Section 18. Effect on prior CON review standards; comparative reviews

Sec. 18. (1) These CON review standards supercede and replace the CON Review Standards for Psychiatric Beds and Services, approved by the CON Commission on ~~December 13, 2012~~ SEPTEMBER 21, 2016 and effective on ~~March 22, 2013~~ DECEMBER 9, 2016.

(2) Projects involving replacement beds, relocation of beds, flex beds under Section 10, or an increase in beds, approved pursuant to Section 7(3), are reviewed under these standards and shall not be subject to comparative review.

(3) Projects involving initiation of services or an increase in beds, approved pursuant to Section 6(1), are reviewed under these standards and shall be subject to comparative review.

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**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:

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

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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.

770 MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

771
772 CON REVIEW STANDARDS
773 FOR PSYCHIATRIC BEDS AND SERVICES
774 --ADDENDUM FOR SPECIAL POPULATION GROUPS
775

776 (By authority conferred on the CON commission by Section 22215 of Act No. 368 of the Public Acts of
777 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being
778 sections 333.22215, 24.207 and 24.208 of the Michigan Compiled Laws.)
779

780 **Section 1. Applicability; definitions**
781

782 Sec. 1. (1) This addendum supplements the CON review standards for psychiatric beds and services
783 and shall be used for determining the need for projects established to better meet the needs of special
784 population groups within the mental health populations.
785

786 (2) Except as provided in sections 2, 3, 4, 5, 6, and 7 of this addendum, these standards supplement,
787 and do not supersede, the requirements and terms of approval required by the CON Review Standards
788 for Psychiatric Beds and Services.
789

790 (3) The definitions which apply to the CON Review Standards for Psychiatric Beds and Services shall
791 apply to these standards.
792

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

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

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

799 (c) "Medical psychiatric unit" means a unit designed for psychiatric patients (adult or child/adolescent
800 as applicable) who have also been diagnosed with a medical illness requiring hospitalization, e.g.,
801 patients who may be on dialysis, require wound care or need intravenous or tube feeding.
802

803 **Section 2. Requirements for approval -- applicants proposing to increase psychiatric beds --**
804 **special use exceptions**
805

806 Sec. 2. A project to increase psychiatric beds in a planning area which, if approved, would otherwise
807 cause the total number of psychiatric beds in that planning area to exceed the needed psychiatric bed
808 supply or cause an increase in an existing excess as determined under the applicable CON review
809 standards for psychiatric beds and services, may nevertheless be approved pursuant to this addendum.
810

811 Section 3. Statewide pool for the needs of special population groups within the mental health populations
812

813 Sec. 3. (1) A statewide pool of additional psychiatric beds consists of 370 beds needed in the state is
814 established to better meet the needs of special population groups within the mental health populations.
815 The number of beds in the pool is based on five percent of the statewide bed need for psychiatric
816 inpatient beds rounded up to the next ten. Beds in the pool shall be distributed as follows and shall be
817 reduced in accordance with subsection (2):

818 (a) Developmental disability beds will be allocated 110 adult beds and 20 child/adolescent beds.

819 (b) Geriatric psychiatric beds will be allocated 110 adult beds.

820 (c) Medical psychiatric beds will be allocated 110 adult beds and 20 child/adolescent beds.
821

822 (2) By setting aside these beds from the total statewide pool, the Commission's action applies only to
823 applicants seeking approval of psychiatric beds pursuant to sections 4, 5, and 6. It does not preclude the

824 care of these patients in units of hospitals, psychiatric hospitals, or other health care settings in
825 compliance with applicable statutory or certification requirements.

826
827 (3) Increases in psychiatric beds approved under this addendum for special population groups shall
828 not cause planning areas currently showing an unmet bed need to have that need reduced or planning
829 areas showing a current surplus of beds to have that surplus increased.

830
831 (4) The Commission may adjust the number of beds available in the statewide pool for the needs of
832 special population groups within the mental health populations concurrent with the biennial recalculation
833 of the statewide psychiatric inpatient bed need. Modifying the number of beds available in the statewide
834 pool for the needs of special population groups within the mental health populations pursuant to this
835 section shall not require a public hearing or submittal of the standard to the Legislature and the Governor
836 in order to become effective.

837
838 **Section 4. Requirements for approval for beds from the statewide pool for special population**
839 **groups allocated to developmental disability patients**

840
841 Sec. 4. The CON commission determines there is a need for beds for applications designed to
842 determine the efficiency and effectiveness of specialized programs for the care and treatment of
843 developmental disability patients as compared to serving these needs in general psychiatric unit(s).

844
845 (1) An applicant proposing to begin operation of a new adult or child/adolescent psychiatric service or
846 add beds to an existing adult or child/adolescent psychiatric service under this section shall demonstrate
847 with credible documentation to the satisfaction of the Department each of the following:

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

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

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

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

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

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

859
860 (2) All beds approved pursuant to this subsection shall be certified for Medicaid.

861
862 **Section 5. Requirements for approval for beds from the statewide pool for special population**
863 **groups allocated to geriatric psychiatric patients**

864
865 Sec. 5. The CON commission determines there is a need for beds for applications designed to
866 determine the efficiency and effectiveness of specialized programs for the care and treatment of geriatric
867 psychiatric patients as compared to serving these needs in general psychiatric unit(s).

868
869 (1) An applicant proposing to begin operation of a new adult psychiatric service or add beds to an
870 existing adult psychiatric service under this section shall demonstrate with credible documentation to the
871 satisfaction of the Department each of the following:

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

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

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

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

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

882 (d) The proposed beds will serve only geriatric psychiatric patients.
883

884 (2) All beds approved pursuant to this subsection shall be dually certified for Medicare and Medicaid.
885

886 **Section 6. Requirements for approval for beds from the statewide pool for special population**
887 **groups allocated to medical psychiatric patients**
888

889 Sec. 6. The CON commission determines there is a need for beds for applications designed to
890 determine the efficiency and effectiveness of specialized programs for the care and treatment of medical
891 psychiatric patients as compared to serving these needs in general psychiatric unit(s).
892

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

896 (a) The beds will be operated as part of a specialized program exclusively for adult or
897 child/adolescent medical psychiatric patients, as applicable, within a licensed hospital licensed under part
898 215 of the code.

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

900 (i) Documentation of its existing medical psychiatric program by CARF or another nationally-
901 recognized accreditation organization for medical psychiatric care and services; or

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

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

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

908 (e) The proposed beds will serve only medical psychiatric patients.
909

910 (2) All beds approved pursuant to this subsection shall be certified for Medicaid.
911

912 **Section 7. Acquisition of psychiatric beds approved pursuant to this addendum**
913

914 Sec. 7. (1) An applicant proposing to acquire psychiatric beds from the statewide pool for special
915 population groups allocated to developmental disability shall meet the following:

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

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

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

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

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

926 (f) All beds approved pursuant to this subsection shall be certified for Medicaid.
927

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

- 930 (a) The applicant shall submit evidence of accreditation of the existing geriatric psychiatric program
931 by CARF or another nationally-recognized accreditation organization for geriatric psychiatric care and
932 services.
- 933 (b) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another
934 nationally-recognized accreditation organization for the geriatric psychiatric beds proposed under this
935 subsection.
- 936 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for
937 geriatric psychiatric patients.
- 938 (d) Staff will be specially trained in treatment of geriatric psychiatric patients.
- 939 (e) The proposed beds will serve only geriatric psychiatric patients.
- 940 (f) All beds approved pursuant to this subsection shall be dually certified for Medicare and Medicaid.
941
- 942 (3) An applicant proposing to acquire psychiatric beds from the statewide pool for special population
943 groups allocated to medical psychiatric shall meet the following:
- 944 (a) The applicant shall submit evidence of accreditation of the existing medical psychiatric program
945 by CARF or another nationally-recognized accreditation organization for medical psychiatric care and
946 services.
- 947 (b) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another
948 nationally-recognized accreditation organization for the medical psychiatric beds proposed under this
949 subsection.
- 950 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for
951 medical psychiatric patients.
- 952 (d) Staff will be specially trained in treatment of medical psychiatric patients.
- 953 (e) The proposed beds will serve only medical psychiatric patients.
- 954 (f) All beds approved pursuant to this subsection shall be certified for Medicaid.
955

956 **Section 8. Project delivery requirements -- terms of approval for all applicants seeking approval**
957 **under section 3(1) of this addendum**
958

- 959 Sec. 8. (1) An applicant shall agree that if approved, the services shall be delivered in compliance
960 with the terms of approval required by the CON Review Standards for Psychiatric Beds and Services.
961
- 962 (2) An applicant for beds from the statewide pool for special population groups allocated to
963 developmental disability patients shall agree that, if approved, all beds approved pursuant to that
964 subsection shall be operated in accordance with the following terms of CON approval:
- 965 (a) The applicant shall document, at the end of the third year following initiation of beds approved an
966 annual average occupancy rate of 80 percent or more. If this occupancy rate has not been met, the
967 applicant shall reduce beds to a number of beds necessary to result in a 80 percent average annual
968 occupancy for the third full year of operation and annually thereafter. The number of beds reduced shall
969 revert to the total statewide pool established for developmental disability beds.
- 970 (b) An applicant shall staff the proposed unit for developmental disability patients with employees
971 that have been trained in the care and treatment of such individuals.
- 972 (c) An applicant shall maintain NADD certification or another nationally-recognized accreditation
973 organization for developmental disability care and services.
- 974 (d) An applicant shall establish and maintain written policies and procedures for each of the
975 following:
- 976 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
977 appropriate for admission to the developmental disability unit.
- 978 (ii) The transfer of patients requiring care at other health care facilities.
- 979 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
980 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.
- 981 (e) If the specialized program is being added to an existing adult or child/adolescent psychiatric
982 service, then the existing licensed adult or child/adolescent psychiatric service, as applicable, shall

983 maintain the volume requirements outlined in Section 14 of the CON Review Standards for Psychiatric
984 Beds and Services.

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

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

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

991
992 (3) An applicant for beds from the statewide pool for special population groups allocated to geriatric
993 psychiatric patients shall agree that if approved, all beds approved pursuant to that subsection shall be
994 operated in accordance with the following terms of CON approval:

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

1000 (b) An applicant shall staff the proposed unit for geriatric psychiatric patients with employees that
1001 have been trained in the care and treatment of such individuals.

1002 (c) An applicant shall maintain CARF certification or another nationally-recognized accreditation
1003 organization for geriatric psychiatric care and services.

1004 (d) An applicant shall establish and maintain written policies and procedures for each of the
1005 following:

1006 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
1007 appropriate for admission to the geriatric psychiatric unit.

1008 (ii) The transfer of patients requiring care at other health care facilities.

1009 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
1010 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.

1011 (e) If the specialized program is being added to an existing adult licensed psychiatric service, then
1012 the existing licensed psychiatric service shall maintain the volume requirements outlined in Section 14 of
1013 the CON Review Standards for Psychiatric Beds and Services.

1014 (f) The geriatric psychiatric unit shall have a day/dining area within, or immediately adjacent to, the
1015 unit(s), which is solely for the use of geriatric psychiatric patients.

1016 (g) The geriatric psychiatric unit shall have direct access to a secure outdoor or indoor area at the
1017 facility appropriate for supervised activity.

1018 (h) The applicant shall maintain programs to promote a culture within the facility that is appropriate
1019 for geriatric psychiatric patients.

1020
1021 (4) An applicant for beds from the statewide pool for special population groups allocated to medical
1022 psychiatric patients shall agree that, if approved, all beds approved pursuant to that subsection shall be
1023 operated in accordance with the following CON terms of approval.

1024 (a) The applicant shall document, at the end of the third year following initiation of beds approved an
1025 annual average occupancy rate of 80 percent or more. If this occupancy rate has not been met, the
1026 applicant shall reduce beds to a number of beds necessary to result in a 80 percent average annual
1027 occupancy for the third full year of operation and annually thereafter. The number of beds reduced shall
1028 revert to the total statewide pool established for medical psychiatric beds.

1029 (b) An applicant shall staff the proposed unit for medical psychiatric patients with employees that
1030 have been trained in the care and treatment of such individuals.

1031 (c) An applicant shall maintain CARF certification or another nationally-recognized accreditation
1032 organization for medical psychiatric care and services.

1033 (d) An applicant shall establish and maintain written policies and procedures for each of the
1034 following:

- 1035 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
1036 appropriate for admission to the medical psychiatric unit.
- 1037 (ii) The transfer of patients requiring care at other health care facilities.
- 1038 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
1039 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.
- 1040 (e) If the specialized program is being added to an existing licensed adult or child/adolescent
1041 psychiatric service, then the existing adult or child/adolescent psychiatric service, as applicable, shall
1042 maintain the volume requirements outlined in Section 14 of the CON Review Standards for Psychiatric
1043 Beds and Services.
- 1044 (f) The medical psychiatric unit shall have a day/dining area within, or immediately adjacent to, the
1045 unit(s), which is solely for the use of medical psychiatric patients.
- 1046 (g) The medical psychiatric unit shall have direct access to a secure outdoor or indoor area at the
1047 facility appropriate for supervised activity.
- 1048 (h) The applicant shall maintain programs to promote a culture within the facility that is appropriate
1049 for medical psychiatric patients.

1050

1051 **Section 9. Comparative reviews, effect on prior CON review standards**

1052

1053 Sec. 9. (1) Projects proposed under Section 4 shall be considered a distinct category and shall be
1054 subject to comparative review on a statewide basis.

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1056 (2) Projects proposed under Section 5 shall be considered a distinct category and shall be subject to
1057 comparative review on a statewide basis.

1058

1059 (3) Projects proposed under Section 6 shall be considered a distinct category and shall be subject to
1060 comparative review on a statewide basis.

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