

1 MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
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. (1) These standards are requirements for the approval and delivery of services for all~~
13 ~~projects approved and Certificates of Need issued under Part 222 of the Code which involve~~
14 ~~psychiatric beds and services.~~

15
16 ~~— (2) A psychiatric hospital or unit is a covered health facility for purposes of Part 222 of the~~
17 ~~Code.~~

18
19 ~~— (3) An increase in licensed psychiatric beds or the physical relocation from a licensed site to~~
20 ~~another geographic location is a change in bed capacity for purposes of Part 222 of the Code.~~

21
22 ~~— (4) The Department shall use sections 3, 4, 5, 6, 7, 8, 9, and 10, as applicable, in applying~~
23 ~~Section 22225(1) of the Code, being Section 333.22225(1) of the Michigan Compiled Laws.~~

24
25 ~~— (5) The Department shall use Sections 12 and 13, as applicable, in applying Section~~
26 ~~22225(2)(c) of the Code, being Section 333.22225(2)(c) of the Michigan Compiled Laws.~~

27
28 ~~— (6) The Department shall use Section 11 in applying Section 22215(1)(b) of the Code, being~~
29 ~~Section 333.22215(1)(b) of the Michigan Compiled Laws~~

30
31 ~~**SEC. 1 THESE STANDARDS ARE REQUIREMENTS FOR THE APPROVAL AND DELIVERY OF**~~
32 ~~**PSYCHIATRIC SERVICES UNDER PART 222 OF THE CODE. AN INCREASE IN LICENSED**~~
33 ~~**PSYCHIATRIC BEDS OR THE PHYSICAL RELOCATION FROM A LICENSED SITE TO ANOTHER**~~
34 ~~**GEOGRAPHIC LOCATION IS A CHANGE IN BED CAPACITY FOR THE PURPOSES OF PART 222**~~
35 ~~**OF THE CODE. PURSUANT TO PART 222 OF THE CODE, A PSYCHIATRIC HOSPITAL OR UNIT IS**~~
36 ~~**A COVERED HEALTH FACILITY. THE DEPARTMENT SHALL USE THESE STANDARDS IN**~~
37 ~~**APPLYING SECTION 22225(1) OF THE CODE, BEING SECTION 333.22225(1) OF THE MICHIGAN**~~
38 ~~**COMPILED LAWS AND SECTION 22225(2)(C) OF THE CODE, BEING SECTION 333.22225(2)(C) OF**~~
39 ~~**THE MICHIGAN COMPILED LAWS.**~~

40
41 **Section 2. Definitions**

42
43 Sec. 2. (1) For purposes of these standards:

44
45 (a) "Acquisition of a psychiatric hospital or unit" means the issuance of a new license as the result of
46 the acquisition (including purchase, lease, donation, or other comparable arrangement) of an existing
47 licensed psychiatric hospital or unit and which does not involve a change in the number of licensed
48 psychiatric beds at that health facility.

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

50 (c) "Base year" means 1992 or the most recent year for which verifiable data are collected by the
51 Department and are available separately for the population age cohorts of 0 to 17 and 18 and older.

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

- 54 (e) "Child/adolescent" means any individual less than 18 years of age.
- 55 (f) "Code" means Act No. 368 of the Public Acts of 1978, as amended, being Section 333.1101 et
56 seq. of the Michigan Compiled Laws.
- 57 (g) "Community mental health board" or "board" or "CMH" means the board of a county(s)
58 community mental health board as referenced in the provisions of MCL 330.1200 to 330.1246.
- 59 (h) "Comparative group" means the applications which have been grouped for the same type of
60 project in the same planning area and are being reviewed comparatively in accordance with the CON
61 rules.
- 62 (i) "Department" means the Michigan Department of Community Health (MDCH).
- 63 (j) "Department inventory of beds" means the current list maintained by the Department which
64 includes:
- 65 (i) licensed adult and child/adolescent psychiatric beds; and
66 (ii) adult and child/adolescent psychiatric beds approved by a valid CON, which are not yet licensed.
67 A separate inventory will be maintained for child/adolescent beds and adult beds.
- 68 (k) "Existing adult inpatient psychiatric beds" or "existing adult beds" means:
- 69 (i) all adult beds in psychiatric hospitals or units licensed by the Department pursuant to the Mental
70 Health Code;
71 (ii) all adult beds approved by a valid CON, which are not yet licensed;
72 (iii) proposed adult beds under appeal from a final Department decision, or pending a hearing from a
73 proposed decision; and
74 (iv) proposed adult beds that are part of a completed application (other than the application or
75 applications in the comparative group under review) which are pending final Department decision.
- 76 (l) "Existing child/adolescent inpatient psychiatric beds" or "existing child/adolescent beds" means:
- 77 (i) all child/adolescent beds in psychiatric hospitals or units licensed by the Department pursuant to
78 the Mental Health Code;
79 (ii) all child/adolescent beds approved by a valid CON, which are not yet licensed;
80 (iii) proposed child/adolescent beds under appeal from a final Department decision, or pending a
81 hearing from a proposed decision; and
82 (iv) proposed child/adolescent beds that are part of a completed application (other than the
83 application or applications in the comparative group under review) which are pending final Department
84 decision.
- 85 (m) "Initiation of service" means the establishment of an inpatient psychiatric unit with a specified
86 number of beds at a site not currently providing psychiatric services.
- 87 (n) "Involuntary commitment status" means a hospital admission effected pursuant to the provisions
88 of MCL 330.1423 to 330.1429.
- 89 (o) "Licensed site" means either:
- 90 (i) in the case of a single site hospital, the location of the facility authorized by license and listed on
91 that licensee's certificate of licensure; or
92 (ii) in the case of a hospital with multiple sites, the location of each separate and distinct inpatient
93 unit of the health facility as authorized by license and listed on that licensee's certificate of licensure.
- 94 (p) "Medicaid" means title XIX of the Social Security Act, chapter 531, 49 Stat. 620, 1396r-6
95 and 1396r-8 to 1396v.
- 96 (q) "Mental Health Code" means Act 258 of the Public Acts of 1974, as amended, being Sections
97 330.1001 to 330.2106 of the Michigan Compiled Laws.
- 98 (r) "Mental health professional" means an individual who is trained and experienced in the area of
99 mental illness or developmental disabilities and who is any 1 of the following:
- 100 (i) a physician who is licensed to practice medicine or osteopathic medicine and surgery in Michigan
101 and who has had substantial experience with mentally ill, mentally retarded, or developmentally disabled
102 clients for 1 year immediately preceding his or her involvement with a client under administrative rules
103 promulgated pursuant to the Mental Health Code;
- 104 (ii) a psychologist who is licensed in Michigan pursuant to the provisions of MCL 333.16101 to
105 333.18838;

106 (iii) a licensed master's social worker licensed in Michigan Pursuant to the provisions of MCL
107 333.16101 to 333.18838;

108 (iv) a registered nurse who is licensed in Michigan pursuant to the provisions of MCL 333.16101 to
109 333.18838;

110 (v) a licensed professional counsel or licensed in Michigan pursuant to the provisions of MCL
111 333.16101 to 333.18838;

112 (vi) a marriage and family therapist licensed in Michigan pursuant to the provisions of MCL
113 333.16101 to 333.18838;

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

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

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

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

129 (v) "Offer" means to provide inpatient psychiatric services to patients.

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

132 (x) "Planning area" means the geographic boundaries of the groups of counties shown in Section 15.

133 (y) "Planning year" means 1990 or a year in the future, at least 3 years but no more than 7 years,
134 established by the CON Commission for which inpatient psychiatric bed needs are developed. The
135 planning year shall be a year for which official population projections from the Department of
136 Management and Budget are available.

137 (z) "Psychiatric hospital" means an inpatient program operated by the Department for the treatment
138 of individuals with serious mental illness or serious emotional disturbance or a psychiatric hospital or
139 psychiatric unit licensed under Section 137, pursuant to MCL 330.1100.

140 (aa) "Psychiatrist" means 1 or more of the following, pursuant to MCL 330.1100:

141 (i) a physician who has completed a residency program in psychiatry approved by the Accreditation
142 Council for Graduate Medical Education or The American Osteopathic Association, or who has completed
143 12 months of psychiatric rotation and is enrolled in an approved residency program;

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

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

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

150 (cc) "Psychologist" means an individual licensed to engage in the practice of psychology, who
151 devotes a substantial portion of his or her time to the diagnosis and treatment of individuals with serious
152 mental illness, serious emotional disturbance, or developmental disability, pursuant to MCL 333.16101 to
153 333.18838.

154 (dd) "Public patient" means an individual approved for mental health services by a CMH or an
155 individual who is admitted as a patient under Section 423, 429, or 438 of the Mental Health Code, Act No.
156 258 of the Public Acts of 1974, being Sections 330.1423, 330.1429, and 330.1438 of the Michigan
157 Compiled Laws.

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

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

164 (gg) "Replacement beds" means beds in a psychiatric hospital or unit which meet all of the following
165 conditions:

166 (i) an equal or greater number of beds are currently licensed to the applicant at the current licensed
167 site;

168 (ii) the beds are proposed for replacement in new physical plant space being developed in new
169 construction or in newly acquired space (purchase, lease, donation, or other comparable arrangement);
170 and

171 (iii) the beds to be replaced will be located in the replacement zone.

172 (hh) "Replacement zone" means a proposed licensed site which is:

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

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

175 (ii) "Social worker" means an individual registered in Michigan to engage in social work under the
176 provisions of MCL 333.18501.

177

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

179

180 **Section 3. Determination of needed inpatient psychiatric bed supply**

181

182 Sec. 3. (1) Until changed by the Commission in accordance with Section 4(3) and Section 5, the use
183 rate for the base year for the population age 0-17 is set forth in Appendix D.

184

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

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

189 (b) Multiply the population by the use rate established in Appendix D. The resultant figure is the total
190 patient days.

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

193 (d) Divide the ADC by 0.75.

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

197 (f) The adjusted bed need for the planning area is the sum of the results of subsections (d) and (e).

198

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

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

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

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

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

211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262

Section 4. Bed need for inpatient psychiatric beds

Sec. 4. (1) For purposes of these standards, until otherwise changed by the Commission, the bed need numbers determined pursuant to Section 3, incorporated as part of these standards as Appendices A and B, as applicable, shall apply to projects subject to review under these standards, except where a specific CON review standard states otherwise.

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

(3) The Commission shall designate the planning year, and, for child/adolescent beds, the base year, which shall be utilized in applying the bed need methodologies pursuant to subsection (2).

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

(5) New bed need numbers established by subsections (2) and (3) shall supercede the bed need numbers shown in Appendices A and B and shall be included as amended appendices to these standards.

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

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

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

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

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

Section 6. Requirements for approval to initiate service

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

(1) The number of beds proposed in the CON application cannot result in the number of existing adult or child/adolescent psychiatric beds, as applicable, in the planning area exceeding the bed need set forth in Appendix A or B, as applicable. However, an applicant may request and be approved for up to a maximum of 10 beds if, when the total number of existing adult beds or existing child/adolescent beds is subtracted from the bed need for the planning area set forth in Appendix A or B, the difference is equal to or more than 1 or less than 10.

(2) A written recommendation, from the Department or the CMH that serves the county in which the proposed beds or service will be located, which shall include an agreement to enter into a contract to meet the needs of the public patient. At a minimum, the letter of agreement shall specify the number of

263 beds to be allocated to the public patient and the applicant's intention to serve patients with an
264 involuntary commitment status.

265
266 (3) The number of beds proposed in the CON application to be allocated for use by public patients
267 shall not be less than 50% of the beds proposed in the CON application. Applications proposed in direct
268 response to a Department plan pursuant to subsection (5) shall allocate not less than 80% of the beds
269 proposed in the CON application.

270
271 (4) The minimum number of beds in a psychiatric unit shall be at least 10 beds. If a psychiatric unit
272 has or proposes to operate both adult and child/adolescent beds, each unit shall have a minimum of 10
273 beds. The Department may approve an application for a unit of less than 10 beds, if the applicant
274 demonstrates to the satisfaction of the Department, that travel time to existing units would significantly
275 limit access to care.

276
277 (5) An applicant shall not be required to be in compliance with subsection (1) if the applicant
278 demonstrates that the application meets both of the following:

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

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

285

286 **Section 7. Requirements for approval to increase beds**

287

288 Sec. 7 An applicant proposing an increase in the number of adult or child/adolescent beds shall
289 demonstrate or provide the following:

290

291 (1) The number of beds proposed in the CON application will not result in the number of existing
292 adult or child/adolescent psychiatric beds, as applicable, in the planning area exceeding the bed need set
293 forth in Appendix A or B, as applicable. However, an applicant may request and be approved for up to a
294 maximum of 10 beds if, when the total number of existing adult beds or existing child/adolescent beds is
295 subtracted from the bed need for the planning area set forth in Appendix A or B, the difference is equal to
296 or more than 1 or less than 10.

297

298 (2) The average occupancy rate for the applicant's facility, where the proposed beds are to be
299 located, was at least 70% for adult or child/adolescent beds, as applicable, during the most recent,
300 consecutive 24 month period, as of the date of the submission of the application, for which verifiable data
301 are available to the Department.

302

303 (3) Subsections (1) and (2) shall not apply if the ~~applicant meets the following~~ ARE MET:

304 (A) THE NUMBER OF EXISTING ADULT OR CHILD/ADOLESCENT PSYCHIATRIC BEDS IN THE
305 PLANNING AREA IS EQUAL TO OR EXCEEDS THE BED NEED SET FORTH IN APPENDIX A OR B,
306 AS APPLICABLE;

307 ~~(aB)~~ the beds are being added at the existing licensed site;

308 ~~(bC)~~ the average occupancy rate for the applicant's facility was at least 75% for facilities with 19 beds
309 or less and 80% for facilities with 20 beds or more, as applicable, during the most recent, consecutive 24
310 month period, as of the date of the submission of the application, for which verifiable data are available to
311 the Department;

312 ~~(eD)~~ the number of beds being added shall not exceed the results of the following formula: the facility's
313 average daily census for the most recent, consecutive 24 month period, as of the date of the submission
314 of the application, for which verifiable data are available to the Department multiplied by 1.5 for adult beds
315 and 1.7 for child/adolescent beds.

316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367

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

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

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

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

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

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

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

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

Section 8. Requirements for approval for replacement beds

Sec. 8. An applicant proposing replacement beds shall not be required to be in compliance with the needed bed supply set forth in Appendix A or B, as applicable, if the applicant demonstrates all of the following:

(1) The project proposes to replace an equal or lesser number of beds currently licensed to the applicant at the licensed site at which the proposed replacement beds are currently located.

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

~~(3) The applicant meets all other applicable CON review standards and agrees and assures to comply with all applicable project delivery requirements.~~

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

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

368 | (65) Proof of current contract or documentation of contract renewal, if current contract is under
369 negotiation, with the CMH or its designee that serves the planning area in which the proposed beds or
370 service will be located.

371
372 **Section 9. Requirements for approval for acquisition of a psychiatric hospital or unit**
373

374 Sec. 9. An applicant proposing to acquire a psychiatric hospital or unit shall not be required to be in
375 compliance with the needed bed supply set forth in Appendix A or B, as applicable, for the planning area
376 in which the psychiatric hospital or unit subject to the proposed acquisition is located, if the applicant
377 demonstrates that all of the following are met:

378
379 (1) The acquisition will not result in a change in the number of licensed beds or beds designated for
380 a child/adolescent specialized psychiatric program.

381
382 (2) The licensed site does not change as a result of the acquisition.
383

384 **Section 10. Additional requirements for applications included in comparative review**
385

386 Sec. 10. (1) Any application subject to comparative review under Section 22229 of the Code being
387 Section 333.22229 of the Michigan Compiled Laws or these standards shall be grouped and reviewed
388 with other applications in accordance with the CON rules applicable to comparative review.
389

390 (2) Each application in a comparative group shall be individually reviewed to determine whether the
391 application has satisfied all the requirements of Section 22225 of the Code being Section 333.22225 of
392 the Michigan Compiled Laws and all other applicable requirements for approval in the Code and these
393 standards. If the Department determines that two or more competing applications satisfy all of the
394 requirements for approval, these projects shall be considered qualifying projects. The Department shall
395 approve those qualifying projects which, when taken together, do not exceed the need, as defined in
396 Section 22225(1) of the Code, and which have the highest number of points when the results of
397 subsection (3) are totaled. If two or more qualifying projects are determined to have an identical number
398 of points, then the Department shall approve those qualifying projects which, when taken together, do not
399 exceed the need, in the order in which the applications were received by the Department, based on the
400 date and time stamp placed on the applications by the Department in accordance with rule 325.9123.
401

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

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

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

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

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

418 (f) A qualifying project will be awarded 3 points if the applicant currently provides a partial
419 hospitalization psychiatric program, outpatient psychiatric services, or psychiatric aftercare services, or

420 the applicant includes any of these services as part of their proposed project, as demonstrated by site
421 plans and service contracts.

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

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

428		
429	Hospital Indigent	Points
430	<u>Volume</u>	<u>Awarded</u>
431		
432	0 - <6%	1
433	6 - <11%	2
434	11 - <16%	3
435	16 - <21%	4
436	21 - <26%	5
437	26 - <31%	6
438	31 - <36%	7
439	36 - <41%	8
440	41 - <46%	9
441	46% +	10
442		

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

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

454		
455	Psychiatric Hospital/Unit	
456	<u>Compliance Action</u>	<u>Points Deducted</u>
457		
458	Non-renewal or revocation of license	4
459		
460	Non-renewal or termination of:	
461		
462	Certification - Medicare	4
463	Certification - Medicaid	4
464		

465 (4) ~~The minimum number of points will be awarded to an applicant under the individual~~
466 ~~subsections of this Section for conflicting information presented in this Section and related~~
467 ~~information provided in other Sections of the CON application.~~ **SUBMISSION OF**
468 **CONFLICTING INFORMATION IN THIS SECTION MAY RESULT IN A LOWER**
469 **POINT AWARD. IF AN APPLICATION CONTAINS CONFLICTING INFORMATION**
470 **WHICH COULD RESULT IN A DIFFERENT POINT VALUE BEING AWARDED IN**
471 **THIS SECTION, THE DEPARTMENT WILL AWARD POINTS BASED ON THE**

472 **LOWER POINT VALUE THAT COULD BE AWARDED FROM THE CONFLICTING**
473 **INFORMATION. FOR EXAMPLE, IF SUBMITTED INFORMATION WOULD RESULT**
474 **IN 6 POINTS BEING AWARDED, BUT OTHER CONFLICTING INFORMATION**
475 **WOULD RESULT IN 12 POINTS BEING AWARDED, THEN 6 POINTS WILL BE**
476 **AWARDED. IF THE CONFLICTING INFORMATION DOES NOT AFFECT THE POINT**
477 **VALUE, THE DEPARTMENT WILL AWARD POINTS ACCORDINGLY. FOR**
478 **EXAMPLE, IF SUBMITTED INFORMATION WOULD RESULT IN 12 POINTS BEING**
479 **AWARDED AND OTHER CONFLICTING INFORMATION WOULD ALSO RESULT IN**
480 **12 POINTS BEING AWARDED, THEN 12 POINTS WILL BE AWARDED.**

481 **Section 11. Requirements for approval for all applicants**

482
483
484 Sec. 11. (1) An applicant shall provide verification of Medicaid participation. An applicant that is a
485 new provider not currently enrolled in Medicaid shall certify that proof of Medicaid participation will be
486 provided to the Department within six (6) months from the offering of services if a CON is approved.
487

488 (2) THE APPLICANT CERTIFIES ALL OUTSTANDING DEBT OBLIGATIONS OWED TO THE
489 STATE OF MICHIGAN FOR QUALITY ASSURANCE ASSESSMENT PROGRAM (QAAP) OR CIVIL
490 MONETARY PENALTIES (CMP) HAVE BEEN PAID IN FULL.

491
492 (3) THE APPLICANT CERTIFIES THAT THE HEALTH FACILITY FOR THE PROPOSED PROJECT
493 HAS NOT BEEN CITED FOR A STATE OR FEDERAL CODE DEFICIENCY WITHIN THE 12 MONTHS
494 PRIOR TO THE SUBMISSION OF THE APPLICATION. IF A CODE DEFICIENCY HAS BEEN ISSUED,
495 THEN THE APPLICANT SHALL CERTIFY THAT A PLAN OF CORRECTION FOR CITED STATE OR
496 FEDERAL CODE DEFICIENCIES AT THE HEALTH FACILITY HAS BEEN SUBMITTED AND
497 APPROVED BY THE BUREAU OF HEALTH SYSTEMS WITHIN THE DEPARTMENT OR AS
498 APPLICABLE, THE CENTERS FOR MEDICARE AND MEDICAID SERVICES. IF CODE DEFICIENCIES
499 INCLUDE ANY UNRESOLVED DEFICIENCIES STILL OUTSTANDING WITH THE DEPARTMENT OR
500 THE CENTERS FOR MEDICARE AND MEDICAID SERVICES THAT ARE THE BASIS FOR THE
501 DENIAL, SUSPENSION, OR REVOCATION OF AN APPLICANT'S HEALTH FACILITY LICENSE,
502 POSES AN IMMEDIATE JEOPARDY TO THE HEALTH AND SAFETY OF PATIENT, OR MEETS A
503 FEDERAL CONDITIONAL DEFICIENCY LEVEL, THE PROPOSED PROJECT CANNOT BE
504 APPROVED WITHOUT APPROVAL FROM THE BUREAU OF HEALTH SYSTEMS.
505

506 **Section 12. Project delivery requirements - terms of approval for all applicants**

507
508 Sec. 12. (1) An applicant shall agree that, if approved, the project shall be delivered in compliance
509 with the following terms of CON approval:

510 (a) Compliance with these standards.

511 (b) Compliance with applicable operating standards in the Mental Health Code or the administrative
512 rules promulgated there under.

513 (c) Compliance with the following applicable quality assurance standards:

514 (i) The average occupancy rate for all licensed beds at the psychiatric hospital or unit shall be at
515 least 60 percent (%) for adult beds and 40 percent (%) for child/adolescent beds for the second 12
516 months of operation, and annually thereafter. After the second 12 months of operation, if the average
517 occupancy rate is below 60% for adult beds or 40% for child/adolescent beds, the number of beds shall
518 be reduced to achieve a minimum of 60% average annual occupancy for adult beds or 40% annual
519 average occupancy for child/adolescent beds for the revised licensed bed complement. However, the
520 psychiatric hospital or unit shall not be reduced to less than 10 beds.

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

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

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

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

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

542 (vii) The applicant shall provide the Department with a notice stating the date the beds or services are
543 placed in operation and such notice shall be submitted to the Department consistent with applicable
544 statute and promulgated rules.

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

546 (A) Not deny acute inpatient mental health services to any individual based on ability to pay, source
547 of payment, age, race, handicap, national origin, religion, gender, sexual orientation or commitment
548 status;

549 (B) Provide acute inpatient mental health services to any individual based on clinical indications of
550 need for the services;

551 (C) Maintain information by payor and non-paying sources to indicate the volume of care from each
552 source provided annually.

553 Compliance with selective contracting requirements shall not be construed as a violation of this term.

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

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

563
564 (2) Compliance with this Section shall be determined by the Department based on a report submitted
565 by the applicant and/or other information available to the Department.

566
567 (3) The agreements and assurances required by this Section shall be in the form of a certification
568 agreed to by the applicant or its authorized agent.

569
570 **Section 13. Project delivery requirements - additional terms of approval for child/adolescent**
571 **service**

572
573 Sec. 13. (1) In addition to the provisions of Section 12, an applicant for a child/adolescent service
574 shall agree to operate the program in compliance with the following terms of CON approval, as
575 applicable:

- 576 (a) There shall be at least the following child and adolescent mental health professionals employed,
 577 either directly or by contract, by the hospital or unit, each of whom must have been involved in the
 578 delivery of child/adolescent mental health services for at least 2 years within the most recent 5 years:
 579 (i) a child/adolescent psychiatrist;
 580 (ii) a child psychologist;
 581 (iii) a psychiatric nurse;
 582 (iv) a psychiatric social worker;
 583 (v) an occupational therapist or recreational therapist; and
 584 (b) There shall be a recipient rights officer employed by the hospital or the program.
 585 (c) The applicant shall identify a staff member(s) whose assigned responsibilities include discharge
 586 planning and liaison activities with the home school district(s).
 587 (d) There shall be the following minimum staff employed either on a full time basis or on a consulting
 588 basis:
 589 (i) a pediatrician;
 590 (ii) a child neurologist;
 591 (iii) a neuropsychologist;
 592 (iv) a speech and language therapist;
 593 (v) an audiologist; and
 594 (vi) a dietician.
 595 (e) A child/adolescent service shall have the capability to determine that each inpatient admission is
 596 the appropriate treatment alternative consistent with Section 498e of the Mental Health Code, being
 597 Section 330.1498e of the Michigan Compiled Laws.
 598 (f) The child/adolescent service shall develop and maintain a coordinated relationship with the home
 599 school district of any patient to ensure that all public education requirements are met.
 600 (g) The applicant shall demonstrate that the child/adolescent service is integrated within the
 601 continuum of mental health services available in its planning area by establishing a formal agreement
 602 with the CMH(s) serving the planning area in which the child/adolescent specialized psychiatric program
 603 is located. The agreement shall address admission and discharge planning issues which include, at a
 604 minimum, specific procedures for referrals for appropriate community services and for the exchange of
 605 information with the CMH(s), the probate court(s), the home school district, the Michigan Department of
 606 Human Services, the parent(s) or legal guardian(s) and/or the patient's attending physician.
 607
 608 (2) Compliance with this Section shall be determined by the Department based on a report submitted
 609 by the program and/or other information available to the Department.
 610
 611 (3) The agreements and assurances required by this Section shall be in the form of a certification
 612 agreed to by the applicant or its authorized agent.
 613

614 **Section 14. Department inventory of beds**

615
 616 Sec. 14. The Department shall maintain, and provide on request, a listing of the Department Inventory
 617 of Beds for each adult and child/adolescent planning area.
 618

619 **Section 15. Planning areas**

620
 621 Sec. 15. The planning areas for inpatient psychiatric beds are the geographic boundaries of the
 622 groups of counties as follows.
 623

<u>Planning Areas</u>	<u>Counties</u>
624 1	Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, Wayne
625 626 2	Clinton, Eaton, Hillsdale, Ingham, Jackson, Lenawee

629	3	Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren
630		
631		
632	4	Allegan, Ionia, Kent, Lake, Mason, Montcalm, Muskegon, Newaygo, Oceana, Ottawa
633		
634		
635	5	Genesee, Lapeer, Shiawassee
636		
637	6	Arenac, Bay, Clare, Gladwin, Gratiot, Huron, Iosco, Isabella, Midland, Mecosta, Ogemaw, Osceola, Oscoda, Saginaw, Sanilac, Tuscola
638		
639		
640	7	Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, Montmorency, Otsego, Presque Isle, Roscommon, Wexford
641		
642		
643		
644	8	Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, Schoolcraft
645		
646		
647		

Section 16. Effect on prior CON review standards; comparative reviews

Sec. 16. (1) These CON review standards supercede and replace the CON Review Standards for Psychiatric Beds and Services, approved by the CON Commission on ~~June 22, 2005~~ DECEMBER 11, 2007 and effective on ~~October 17, 2005~~ FEBRUARY 25, 2008.

(2) Projects involving replacement beds 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 7(1), are reviewed under these standards and shall be subject to comparative review.

659
660
661
662
663
664
665
666
667

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

The bed need numbers, for purposes of these standards until otherwise changed by the Commission, are as follows:

Planning Area	Bed Need
1	109 <u>113</u>
2	12
3	20 <u>22</u>
4	40 <u>26</u>
5	20 <u>11</u>
6	17 <u>14</u>
7	8 <u>7</u>
8	5
TOTAL	234 <u>210</u>

668

669
670
671
672
673
674
675
676
677

**CON REVIEW STANDARDS
FOR ADULT PSYCHIATRIC BEDS**

The bed need numbers, for purposes of these standards until otherwise changed by the Commission, are as follows:

PLANNING AREA	BED NEED
1	1044 <u>967</u>
2	470 <u>179</u>
3	186
4	282 <u>283</u>
5	472 <u>153</u>
6	404 <u>96</u>
7	54 <u>52</u>
8	37 <u>38</u>
TOTAL	2040 <u>1,954</u>

678

679
680
681
682
683
684
685
686
687
688

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

THE RATIO PER 10,000 ADULT POPULATION, FOR PURPOSES OF THESE STANDARDS, UNTIL
OTHERWISE CHANGED BY THE COMMISSION, IS AS FOLLOWS:

PLANNING AREA	ADULT BEDS PER 10,000 ADULT POPULATION
1	2.9524 <u>2.8516</u>
2	2.3372 <u>2.3906</u>
3	2.4239 <u>2.3950</u>
4	2.4423 <u>2.4095</u>
5	2.9853 <u>3.2442</u>
6	1.3419 <u>1.3483</u>
7	1.2070 <u>1.1977</u>
8	1.4938 <u>1.4781</u>
STATE	2.5342 <u>2.4903</u>

689

CON REVIEW STANDARDS
FOR CHILD/ADOLESCENT INPATIENT PSYCHIATRIC BEDS

The use rate per 1000 population age 0-17, for purposes of these standards, until otherwise changed by the Commission, is ~~18.53~~ 20.8898.