

Proposal to Help Alleviate the Problem of Child/Adolescent Patients

Waiting in Hospital Emergency Rooms for a Psychiatric Bed

CONTEXT

- For over a year and prior to the current Psychiatric Beds and Services Workgroup, Beaumont has been working with a variety of stakeholders to develop a pathway for improved access to inpatient psychiatric services, especially for children and adolescents who come to an acute-care hospital emergency department and urgently need placement in an inpatient psychiatric bed. Too often, admission of these pediatric patients is delayed – sometimes up to 36 hours after the patients arrive at the ER. The factors impacting access to child/adolescent inpatient psychiatric beds in Michigan are complex and include a severe shortage of child/adolescent psychiatrists in our State. Following discussions with State government leaders and others, Beaumont was invited to work with the Department and develop proposed CON language to increase access for placement of pediatric psychiatric patients presenting to acute-care hospital emergency departments. We appreciate the opportunity to present such language today and we thank the Department for their assistance.
- Beaumont commends Dr. Laura Hirshbein on her thoughtful leadership of the current Psychiatric Beds and Services Workgroup. Although time consuming, those discussions have been wide-ranging and helpful in identifying a number of factors impacting access to inpatient psychiatric beds in Michigan. We made a presentation to the Workgroup on this topic that was well received, and it appears other acute care hospital systems are having similar issues with prompt placement of child/adolescent psychiatric patients from their emergency rooms.
- Child/adolescent access represents a narrow component of the broader charge of the Workgroup, but an important one. Although this proposal is being presented on a parallel track with the Workgroup proceedings, numerous stakeholders, including those serving on the Work Group, have identified this issue as an urgent and critical problem. Immediate action by the CON Commission on this limited proposal will lead to improved placement options for child/adolescent psychiatric patients without conflicting with additional recommendations from the Work Group process in 2019, which we all eagerly await.
- While CON cannot address all or even most of the mental health issues facing our State as the need is great and resources are limited, we urge the Commission to move this limited proposal forward now in order to prioritize a reduction in the number of children who must languish in emergency rooms awaiting placement in a psychiatric bed.

NEED

- The National Alliance on Mental Health notes that the lack of adequate mental health providers and beds inundates emergency rooms causing delays in care and negatively impacts the continuity essential for the care and treatment of these patients. It is unconscionable for pediatric psych patients to languish in an acute-care ER or observation bed for 36-48 hours without getting the psychiatric services these patients require. Beaumont operates 8 hospital ERs in Southeast Michigan which in 2017 collectively saw over 650 patients age 14 and under with psychiatric diagnoses. And based on discussion at the Psychiatric Services Workgroup meetings, it appears other acute-care systems are having similar issues with prompt placement of pediatric psych patients.

- Bed availability is not the only barrier to improved child/adolescent inpatient psychiatric unit access. Of equal importance is the lack of child/adolescent psychiatrists and professional support staff necessary for operation of an inpatient child/adolescent program.
- Per Dr. Delamater's Psychiatric Bed Need Methodology report (dated 10/17/18), both child/adolescent days per 10,000 population and child/adolescent unit occupancy rates increased significantly between 2012 and 2017.
- Per the Michigan Psychiatric Admission Denial Database, for the period July-December 2017, children who experienced denials averaged 8.6 denials per denial event, with "at capacity" cited as the most frequent reason for denial.
- The "CARES" Task Force notes that there is a limited number of psychiatrists in Michigan, and increasing the number of psychiatric residencies will help mitigate this shortage. Per the Kaiser Family Foundation (2016), Michigan has only 44% of the psychiatrists needed to serve the population, and over 100 additional psychiatrists are required to meet mental health needs.
- Strategies to address the acute shortage of psychiatrists in Michigan need to be implemented but improvements in physician staffing will not be immediate. An increase in the number of child/adolescent programs over a broad geographic area and without arrangements for shared psychiatric staffing will exacerbate the limited availability of child/adolescent inpatient psychiatric beds by spreading existing professional staffing too thinly. Across the country and in Michigan, hospitals sometimes have to cap child/adolescent admissions due to both staffing and physical capacity.

PROPOSAL

- The proposal presented to the Commission seeks to create a limited "safety valve" option for better integration of inpatient psychiatric care with acute-care emergency departments that have a high number of pediatric visits with a psychiatric diagnosis. The intent is not to disrupt the bed need methodology or other existing mechanisms for development of new child/adolescent inpatient psychiatric services in Michigan but to find a way to better deploy and share existing resources – particularly operational expertise and staff. Accordingly, the proposal allows for a one-time option to relocate up to 20 child/adolescent beds in overbedded planning areas.
- It is critical to include language that links the applicant to an acute-care hospital with a significant number of pediatric ER visits with psychiatric diagnoses and to require the proposed service to accommodate placement of child/adolescent patients from the hospital ER if possible. This option will only be feasible if there is a close relationship between the applicant, the existing child/adolescent service that agrees to collaborate with the proposed service, and the acute-care hospitals experiencing placement issues for pediatric psychiatric patients. The direction of this proposal is consistent with academic literature and advocacy about decreasing the "silo" effect and barriers between and among providers.
- The proposal may result in a modest increase in the number of venues for admission of child/adolescent psychiatric patients, but not spread a very limited number of pediatric psychiatrists over so many new programs that they will be spending more time in their cars traveling from facility to facility and even less time with patients. The proposal also would permit hospital systems to invest in pediatric psychiatric staffing and recruitment because of a relatively sure path forward for development of a 10-20 bed child/adolescent unit to help alleviate placement delays.

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

CERTIFICATE OF NEED (CON) REVIEW STANDARDS FOR PSYCHIATRIC BEDS AND SERVICES

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

Section 1. Applicability

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

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

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

Section 2. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

(ii) adult and child/adolescent psychiatric beds approved by a valid CON, which are not yet licensed.

A separate inventory will be maintained for child/adolescent beds and adult beds.

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

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

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

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

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

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

(y) "Planning area" means the geographic boundaries of the groups of counties shown in Section 17.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 3. Determination of needed inpatient psychiatric bed supply

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

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

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

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

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

(d) Divide the ADC by 0.75.

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

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

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

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

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

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

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

Section 4. Bed need for inpatient psychiatric beds

Sec. 4. (1) The bed need numbers determined pursuant to Section 3 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 effective date of the bed need numbers shall be established by the Commission.

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

(5) 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 shall not result in the number of existing adult or child/adolescent psychiatric beds, as applicable, in the planning area exceeding the bed need. 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, 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, 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 beds to be allocated to the public patient and the applicant's intention to serve patients with an involuntary commitment status.

(3) 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 (5) shall allocate not less than 80% of the beds proposed in the CON application.

(4) 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, 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 limit access to care.

(5) 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 7. Requirements for approval to replace beds

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 9. Requirements for approval to increase beds

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

(1) The number of beds proposed in the CON application will not result in the number of existing adult or child/adolescent psychiatric beds, as applicable, in the planning area exceeding the bed need. 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, the difference is equal to or more than 1 or less than 10.

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

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

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

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

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

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

(i) For a facility with flex beds,

(A) calculate the average occupancy rate as follows:

(1) For adult beds:

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

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

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

(2) For child/adolescent beds:

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

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

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

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

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

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

(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.

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

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

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

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

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

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

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

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

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

(d) THE APPLICANT:

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

CHILD/ADOLESCENT PATIENTS WITH A PSYCHIATRIC AND/OR DEVELOPMENTAL DISABILITY DIAGNOSIS PRESENT AT AN AVERAGE OF AT LEAST 100 VISITS PER YEAR FOR EACH OF THE THREE MOST RECENT YEARS IN WHICH THERE IS DATA VERIFIABLE BY THE DEPARTMENT; AND

(ii) HAS AN AGREEMENT WITH THE ACUTE-CARE HOSPITAL TO GIVE PRIMARY CONSIDERATION FOR ADMISSION OF CHILD/ADOLESCENT PATIENTS FROM THE ACUTE-CARE HOSPITAL'S EMERGENCY DEPARTMENT IN NEED OF AN INPATIENT PSYCHIATRIC HOSPITAL ADMISSION.

(iii) HAS A COLLABORATIVE AGREEMENT WITH AN EXISTING CHILD/ADOLESCENT PSYCHIATRIC HOSPITAL OR UNIT FOR CONSULTATION AND SUPPORTIVE SERVICES WITH A PROPOSED TERM OF NOT LESS THAN TWELVE MONTHS AFTER IMPLEMENTATION.

(e) THE PROPOSED SITE FOR THE NEW CHILD/ADOLESCENT BEDS HAS NOT PREVIOUSLY BEEN APPROVED FOR BEDS UNDER THIS SUB-SECTION.

(f) THE PROPOSED PROJECT TO ADD NEW CHILD ADOLESCENT PSYCHIATRIC BEDS, UNDER THIS SUBSECTION, SHALL CONSTITUTE A CHANGE IN BED CAPACITY UNDER SECTION 1(2) OF THESE STANDARDS.

(g) APPLICANTS PROPOSING TO ADD NEW CHILD/ADOLESCENT PSYCHIATRIC BEDS UNDER THIS SUBSECTION SHALL NOT BE SUBJECT TO COMPARATIVE REVIEW.

Section 10. Requirements for approval for flex beds

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

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

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

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

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

Section 12. Additional requirements for applications included in comparative review

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

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

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

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

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

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

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

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

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

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

<u>Hospital Indigent Volume</u>	<u>Points Awarded</u>
0 - <6%	1
6 - <11%	2
11 - <16%	3
16 - <21%	4
21 - <26%	5
26 - <31%	6
31 - <36%	7
36 - <41%	8

41 - <46%	9
46% +	10

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

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

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

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

Section 13. Requirements for approval -- all applicants

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

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

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

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

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

- (1) Compliance with these standards.
 - (2) Compliance with the following applicable quality assurance standards:
 - (a) The proposed licensed psychiatric beds shall be operated in a manner that is appropriate for a population with the ethnic, socioeconomic, and demographic characteristics including the developmental stage of the population to be served.
 - (b) The applicant shall establish procedures to care for patients who are disruptive, combative, or suicidal and for those awaiting commitment hearings, and the applicant shall establish a procedure for obtaining physician certification necessary to seek an order for involuntary treatment for those persons that, in the judgment of the professional staff, meet the Mental Health Code criteria for involuntary treatment.
 - (c) The applicant shall develop a standard procedure for determining, at the time the patient first presents himself or herself for admission or within 24 hours after admission, whether an alternative to inpatient psychiatric treatment is appropriate.
 - (d) The inpatient psychiatric hospital or unit shall provide clinical, administrative, and support services that will be at a level sufficient to accommodate patient needs and volume, and will be provided seven days a week to assure continuity of services and the capacity to deal with emergency admissions.
 - (3) Compliance with the following access to care requirements:
 - (a) An applicant shall participate in Medicaid at least 12 consecutive months within the first two years of operation and continue to participate annually thereafter.
 - (b) The applicant, to assure appropriate utilization by all segments of the Michigan population, shall:
 - (i) not deny acute inpatient mental health services to any individual based on ability to pay, source of payment, age, race, handicap, national origin, religion, gender, sexual orientation or commitment status;
 - (ii) provide acute inpatient mental health services to any individual based on clinical indications of need for the services; and
 - (iii) maintain information by payor and non-paying sources to indicate the volume of care from each source provided annually. Compliance with selective contracting requirements shall not be construed as a violation of this term.
 - (4) Compliance with the following monitoring and reporting requirements:
 - (a) The average occupancy rate for all licensed beds at the psychiatric hospital or unit shall be at least 60 percent (%) for adult beds and 40 percent (%) for child/adolescent beds for the second 12 months of operation, and annually thereafter.
 - (i) Calculate average occupancy rate for adult beds as follows:
 - (A) Add the number of adult patient days of care to the number of child/adolescent patient days of care provided in the flex beds; divide this number by the adult bed days, then multiply the result by 100.
 - (ii) Calculate average occupancy rate for child/adolescent beds as follows:
 - (A) Subtract the number of child/adolescent patient days of care provided in the flex beds from the number of child adolescent patient days of care; divide this number by the child/adolescent bed days, then multiply the result by 100.
 - (b) Flex beds approved under section 10 shall be counted as existing adult inpatient psychiatric beds.
 - (c) After the second 12 months of operation, if the average occupancy rate is below 60% for adult beds or 40% for child/adolescent beds, the number of beds shall be reduced to achieve a minimum of 60% average annual occupancy for adult beds or 40% annual average occupancy for child/adolescent beds for the revised licensed bed complement. However, the psychiatric hospital or unit shall not be reduced to less than 10 beds.

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) a pediatrician;
- (ii) a child neurologist;
- (iii) a neuropsychologist;
- (iv) a speech and language therapist;
- (v) an audiologist; and
- (vi) a dietician.

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

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

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

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

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

Section 16. Department inventory of beds

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

Section 17. Planning areas

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

<u>Planning Areas</u>	<u>Counties</u>
1	Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, Wayne
2	Clinton, Eaton, Hillsdale, Ingham, Jackson, Lenawee
3	Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren
4	Allegan, Ionia, Kent, Lake, Mason, Montcalm, Muskegon, Newaygo, Oceana, Ottawa
5	Genesee, Lapeer, Shiawassee
6	Arenac, Bay, Clare, Gladwin, Gratiot, Huron, Iosco, Isabella, Midland, Mecosta, Ogemaw, Osceola, Oscoda, Saginaw, Sanilac, Tuscola
7	Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, Montmorency, Otsego, Presque Isle, Roscommon, Wexford
8	Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, Schoolcraft

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 and effective on March 22, 2013.

(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.

APPENDIX A**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

APPENDIX B

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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.

9 **MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES**

10
11 **CON REVIEW STANDARDS**
12 **FOR PSYCHIATRIC BEDS AND SERVICES**
13 **--ADDENDUM FOR SPECIAL POPULATION GROUPS**
14

15 (By authority conferred on the CON commission by Section 22215 of Act No. 368 of the Public Acts of
16 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being
17 sections 333.22215, 24.207 and 24.208 of the Michigan Compiled Laws.)
18

19 **Section 1. Applicability; definitions**
20

21 Sec. 1. (1) This addendum supplements the CON review standards for psychiatric beds and services
22 and shall be used for determining the need for projects established to better meet the needs of special
23 population groups within the mental health populations.
24

25 (2) Except as provided in sections 2, 3, 4, 5, 6, and 7 of this addendum, these standards supplement,
26 and do not supersede, the requirements and terms of approval required by the CON Review Standards
27 for Psychiatric Beds and Services.
28

29 (3) The definitions which apply to the CON Review Standards for Psychiatric Beds and Services shall
30 apply to these standards.
31

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

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

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

38 (c) "Medical psychiatric unit" means a unit designed for psychiatric patients (adult or child/adolescent
39 as applicable) who have also been diagnosed with a medical illness requiring hospitalization, e.g.,
40 patients who may be on dialysis, require wound care or need intravenous or tube feeding.
41

42 **Section 2. Requirements for approval -- applicants proposing to increase psychiatric beds --**
43 **special use exceptions**
44

45 Sec. 2. A project to increase psychiatric beds in a planning area which, if approved, would otherwise
46 cause the total number of psychiatric beds in that planning area to exceed the needed psychiatric bed
47 supply or cause an increase in an existing excess as determined under the applicable CON review
48 standards for psychiatric beds and services, may nevertheless be approved pursuant to this addendum.
49

50 Section 3. Statewide pool for the needs of special population groups within the mental health populations
51

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

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

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

59 (c) Medical psychiatric beds will be allocated 110 adult beds and 20 child/adolescent beds.
60

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

63 care of these patients in units of hospitals, psychiatric hospitals, or other health care settings in
 64 compliance with applicable statutory or certification requirements.
 65

66 (3) Increases in psychiatric beds approved under this addendum for special population groups shall
 67 not cause planning areas currently showing an unmet bed need to have that need reduced or planning
 68 areas showing a current surplus of beds to have that surplus increased.
 69

70 (4) The Commission may adjust the number of beds available in the statewide pool for the needs of
 71 special population groups within the mental health populations concurrent with the biennial recalculation
 72 of the statewide psychiatric inpatient bed need. Modifying the number of beds available in the statewide
 73 pool for the needs of special population groups within the mental health populations pursuant to this
 74 section shall not require a public hearing or submittal of the standard to the Legislature and the Governor
 75 in order to become effective.
 76

77 **Section 4. Requirements for approval for beds from the statewide pool for special population**
 78 **groups allocated to developmental disability patients**
 79

80 Sec. 4. The CON commission determines there is a need for beds for applications designed to
 81 determine the efficiency and effectiveness of specialized programs for the care and treatment of
 82 developmental disability patients as compared to serving these needs in general psychiatric unit(s).
 83

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

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

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

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

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

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

97 (d) The proposed beds will serve only developmental disability patients.
 98

99 (2) All beds approved pursuant to this subsection shall be certified for Medicaid.
 100

101 **Section 5. Requirements for approval for beds from the statewide pool for special population**
 102 **groups allocated to geriatric psychiatric patients**
 103

104 Sec. 5. The CON commission determines there is a need for beds for applications designed to
 105 determine the efficiency and effectiveness of specialized programs for the care and treatment of geriatric
 106 psychiatric patients as compared to serving these needs in general psychiatric unit(s).
 107

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

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

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

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

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

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

121 (d) The proposed beds will serve only geriatric psychiatric patients.
122

123 (2) All beds approved pursuant to this subsection shall be dually certified for Medicare and Medicaid.
124

125 **Section 6. Requirements for approval for beds from the statewide pool for special population** 126 **groups allocated to medical psychiatric patients** 127

128 Sec. 6. The CON commission determines there is a need for beds for applications designed to
129 determine the efficiency and effectiveness of specialized programs for the care and treatment of medical
130 psychiatric patients as compared to serving these needs in general psychiatric unit(s).
131

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

135 (a) The beds will be operated as part of a specialized program exclusively for adult or
136 child/adolescent medical psychiatric patients, as applicable, within a licensed hospital licensed under part
137 215 of the code.

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

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

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

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

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

147 (e) The proposed beds will serve only medical psychiatric patients.
148

149 (2) All beds approved pursuant to this subsection shall be certified for Medicaid.
150

151 **Section 7. Acquisition of psychiatric beds approved pursuant to this addendum** 152

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

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

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

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

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

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

165 (f) All beds approved pursuant to this subsection shall be certified for Medicaid.
166

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

- 169 (a) The applicant shall submit evidence of accreditation of the existing geriatric psychiatric program
170 by CARF or another nationally-recognized accreditation organization for geriatric psychiatric care and
171 services.
- 172 (b) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another
173 nationally-recognized accreditation organization for the geriatric psychiatric beds proposed under this
174 subsection.
- 175 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for
176 geriatric psychiatric patients.
- 177 (d) Staff will be specially trained in treatment of geriatric psychiatric patients.
- 178 (e) The proposed beds will serve only geriatric psychiatric patients.
- 179 (f) All beds approved pursuant to this subsection shall be dually certified for Medicare and Medicaid.
180
- 181 (3) An applicant proposing to acquire psychiatric beds from the statewide pool for special population
182 groups allocated to medical psychiatric shall meet the following:
- 183 (a) The applicant shall submit evidence of accreditation of the existing medical psychiatric program
184 by CARF or another nationally-recognized accreditation organization for medical psychiatric care and
185 services.
- 186 (b) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another
187 nationally-recognized accreditation organization for the medical psychiatric beds proposed under this
188 subsection.
- 189 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for
190 medical psychiatric patients.
- 191 (d) Staff will be specially trained in treatment of medical psychiatric patients.
- 192 (e) The proposed beds will serve only medical psychiatric patients.
- 193 (f) All beds approved pursuant to this subsection shall be certified for Medicaid.
194

195 **Section 8. Project delivery requirements -- terms of approval for all applicants seeking approval**
196 **under section 3(1) of this addendum**
197

- 198 Sec. 8. (1) An applicant shall agree that if approved, the services shall be delivered in compliance
199 with the terms of approval required by the CON Review Standards for Psychiatric Beds and Services.
200
- 201 (2) An applicant for beds from the statewide pool for special population groups allocated to
202 developmental disability patients shall agree that, if approved, all beds approved pursuant to that
203 subsection shall be operated in accordance with the following terms of CON approval:
- 204 (a) The applicant shall document, at the end of the third year following initiation of beds approved an
205 annual average occupancy rate of 80 percent or more. If this occupancy rate has not been met, the
206 applicant shall reduce beds to a number of beds necessary to result in a 80 percent average annual
207 occupancy for the third full year of operation and annually thereafter. The number of beds reduced shall
208 revert to the total statewide pool established for developmental disability beds.
- 209 (b) An applicant shall staff the proposed unit for developmental disability patients with employees
210 that have been trained in the care and treatment of such individuals.
- 211 (c) An applicant shall maintain NADD certification or another nationally-recognized accreditation
212 organization for developmental disability care and services.
- 213 (d) An applicant shall establish and maintain written policies and procedures for each of the
214 following:
- 215 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
216 appropriate for admission to the developmental disability unit.
- 217 (ii) The transfer of patients requiring care at other health care facilities.
- 218 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
219 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.
- 220 (e) If the specialized program is being added to an existing adult or child/adolescent psychiatric
221 service, then the existing licensed adult or child/adolescent psychiatric service, as applicable, shall

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

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

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

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

230

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

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

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

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

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

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

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

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

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

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

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

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

259

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

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

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

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

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

- 274 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
275 appropriate for admission to the medical psychiatric unit.
- 276 (ii) The transfer of patients requiring care at other health care facilities.
- 277 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
278 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.
- 279 (e) If the specialized program is being added to an existing licensed adult or child/adolescent
280 psychiatric service, then the existing adult or child/adolescent psychiatric service, as applicable, shall
281 maintain the volume requirements outlined in Section 14 of the CON Review Standards for Psychiatric
282 Beds and Services.
- 283 (f) The medical psychiatric unit shall have a day/dining area within, or immediately adjacent to, the
284 unit(s), which is solely for the use of medical psychiatric patients.
- 285 (g) The medical psychiatric unit shall have direct access to a secure outdoor or indoor area at the
286 facility appropriate for supervised activity.
- 287 (h) The applicant shall maintain programs to promote a culture within the facility that is appropriate
288 for medical psychiatric patients.

289

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

291

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

294

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

297

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

300

301

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

CERTIFICATE OF NEED (CON) REVIEW STANDARDS
FOR PSYCHIATRIC BEDS AND SERVICES

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

Section 1. Applicability

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

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

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

Section 2. Definitions

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

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

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

(c) "AVERAGE OCCUPANCY RATE" IS CALCULATED AS FOLLOWS:

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

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

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

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

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

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

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

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

- 54 (h) "Comparative group" means the applications which have been grouped for the same type of
55 project in the same planning area or statewide special population group and are being reviewed
56 comparatively in accordance with the CON rules.
- 57 (i) "Department" means the Michigan Department of Health and Human Services (MDHHS).
- 58 (j) "Department inventory of beds" means the current list maintained for each planning area on a
59 continuing basis by the Department which includes:
- 60 (i) licensed adult and child/adolescent psychiatric beds; and
61 (ii) adult and child/adolescent psychiatric beds approved by a valid CON, which are not yet licensed.
62 A separate inventory will be maintained for child/adolescent beds and adult beds.
- 63 (k) "Existing adult inpatient psychiatric beds" or "existing adult beds" means:
- 64 (i) all adult beds in psychiatric hospitals or units licensed by the Department pursuant to the Mental
65 Health Code;
66 (ii) all adult beds approved by a valid CON, which are not yet licensed;
67 (iii) proposed adult beds under appeal from a final Department decision, or pending a hearing from a
68 proposed decision; and
69 (iv) proposed adult beds that are part of a completed application (other than the application or
70 applications in the comparative group under review) which are pending final Department decision.
- 71 (l) "Existing child/adolescent inpatient psychiatric beds" or "existing child/adolescent beds" means:
- 72 (i) all child/adolescent beds in psychiatric hospitals or units licensed by the Department pursuant to
73 the Mental Health Code;
74 (ii) all child/adolescent beds approved by a valid CON, which are not yet licensed;
75 (iii) proposed child/adolescent beds under appeal from a final Department decision, or pending a
76 hearing from a proposed decision; and
77 (iv) proposed child/adolescent beds that are part of a completed application (other than the
78 application or applications in the comparative group under review) which are pending final Department
79 decision.
- 80 (m) "Flex bed" means an existing adult psychiatric bed converted to a child/adolescent psychiatric
81 bed in an existing child/adolescent psychiatric service to accommodate during peak periods and meet
82 patient demand.
- 83 (n) "Initiation of service" means the establishment of an inpatient psychiatric unit with a specified
84 number of beds at a site not currently providing psychiatric services.
- 85 (o) "Involuntary commitment status" means a hospital admission effected pursuant to the provisions
86 of MCL 330.1423 to 330.1429.
- 87 (p) "Licensed site" means the location of the facility authorized by license and listed on that
88 licensee's certificate of licensure.
- 89 (q) "Medicaid" means title XIX of the Social Security Act, chapter 531, 49 Stat. 620, 1396 to 1396g
90 and 1396i to 1396u.
- 91 (r) "Mental Health Code" means Act 258 of the Public Acts of 1974, as amended, being Sections
92 330.1001 to 330.2106 of the Michigan Compiled Laws.
- 93 (s) "Mental health professional" means an individual who is trained and experienced in the area of
94 mental illness or developmental disabilities and who is any 1 of the following:
- 95 (i) a physician who is licensed to practice medicine or osteopathic medicine and surgery in Michigan
96 and who has had substantial experience with mentally ill, mentally retarded, or developmentally disabled
97 clients for 1 year immediately preceding his or her involvement with a client under administrative rules
98 promulgated pursuant to the Mental Health Code;
99 (ii) a psychologist who is licensed in Michigan pursuant to the provisions of MCL 333.16101 to
100 333.18838;
101 (iii) a licensed master's social worker licensed in Michigan Pursuant to the provisions of MCL
102 333.16101 to 333.18838;
103 (iv) a registered nurse who is licensed in Michigan pursuant to the provisions of MCL 333.16101 to
104 333.18838;
105 (v) a licensed professional counsel or licensed in Michigan pursuant to the provisions of MCL
106 333.16101 to 333.18838;

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

160 licensed psychiatric hospital site within the same planning area. This definition does not apply to projects
 161 involving replacement beds in a psychiatric hospital or unit governed by Section 7 of these standards.

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

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

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

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

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

171

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

173

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

175

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

178

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

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

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

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

187 (d) Divide the ADC by 0.75.

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

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

193

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

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

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

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

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

206

207 **Section 4. Bed need for inpatient psychiatric beds**

208

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

211

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

- 213
214 (3) The effective date of the bed need numbers shall be established by the Commission.
215
216 (4) New bed need numbers shall supercede previous bed need numbers and shall be posted on the
217 State of Michigan CON web site as part of the Psychiatric Bed Inventory.
218
219 (5) Modifications made by the Commission pursuant to this Section shall not require Standard
220 Advisory Committee action, a public hearing, or submittal of the standard to the Legislature and the
221 Governor in order to become effective.
222

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

224
225 Sec. 5. (1) The Commission may modify the base year based on data obtained from the Department
226 and presented to the Commission. The Department shall calculate the use rate for the population age 0-
227 17 and biennially present the revised use rate based on the most recent base year information available
228 biennially to the CON Commission.
229

230 (2) The Commission shall establish the effective date of the modifications made pursuant to
231 subsection (1).
232

233 (3) Modifications made by the Commission pursuant to subsection (1) shall not require Standard
234 Advisory Committee action, a public hearing, or submittal of the standard to the Legislature and the
235 Governor in order to become effective.
236

237 **Section 6. Requirements for approval to initiate service**

238
239 Sec. 6. An applicant proposing the initiation of an adult or child/adolescent psychiatric service shall
240 demonstrate or provide the following:
241

242 (1) The number of beds proposed in the CON application shall not result in the number of existing
243 adult or child/adolescent psychiatric beds, as applicable, in the planning area exceeding the bed need.
244 However, an applicant may request and be approved for up to a maximum of 10 beds if, when the total
245 number of existing adult beds or existing child/adolescent beds is subtracted from the bed need for the
246 planning area, the difference is equal to or more than 1 or less than 10.
247

248 (2) A written recommendation, from the Department or the CMH that serves the county in which the
249 proposed beds or service will be located, shall include an agreement to enter into a contract to meet the
250 needs of the public patient. At a minimum, the letter of agreement shall specify the number of beds to be
251 allocated to the public patient and the applicant's intention to serve patients with an involuntary
252 commitment status.
253

254 (3) The number of beds proposed in the CON application to be allocated for use by public patients
255 shall not be less than 50% of the beds proposed in the CON application. Applications proposed in direct
256 response to a Department plan pursuant to subsection (5) shall allocate not less than 80% of the beds
257 proposed in the CON application.
258

259 (4) The minimum number of beds in a psychiatric unit shall be at least 10 beds. If a psychiatric unit
260 has or proposes to operate both adult and child/adolescent beds, each unit shall have a minimum of 10
261 beds. The Department may approve an application for a unit of less than 10 beds, if the applicant
262 demonstrates to the satisfaction of the Department, that travel time to existing units would significantly
263 limit access to care.
264

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

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

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

273 **Section 7. Requirements for approval to replace beds**

274
 275 Sec. 7. An applicant proposing to replace beds shall not be required to be in compliance with the
 276 needed bed supply if the applicant demonstrates all of the following:

277
 278 (1) The applicant shall specify whether the proposed project is to replace the existing licensed
 279 psychiatric hospital or unit to a new site or to replace a portion of the licensed psychiatric beds at the
 280 existing licensed site.

281
 282 (2) The proposed licensed site is in the replacement zone.

283
 284 (3) Not less than 50% of the beds proposed to be replaced shall be allocated for use by public
 285 patients.

286
 287 (4) Previously made commitments, if any, to the Department or CMH to serve public patients have
 288 been fulfilled.

289
 290 (5) Proof of current contract or documentation of contract renewal, if current contract is under
 291 negotiation, with the CMH or its designee that serves the planning area in which the proposed beds or
 292 service will be located.

293
 294
 295 **(6) THE APPLICANT SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS, AS**
 296 **APPLICABLE:**

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

300 **(b) IF THE AVERAGE OCCUPANCY RATE FOR THE EXISTING PSYCHIATRIC HOSPITAL OR**
 301 **UNIT IS BELOW 60% FOR ADULT BEDS OR 40% FOR CHILD/ADOLESCENT BEDS, THEN THE**
 302 **APPLICANT PSYCHIATRIC HOSPITAL OR UNIT SHALL REDUCE THE APPROPRIATE NUMBER OF**
 303 **LICENSED BEDS TO ACHIEVE AN AVERAGE ANNUAL OCCUPANCY RATE OF AT LEAST 60% FOR**
 304 **ADULT BEDS OR 40% FOR CHILD/ADOLESCENT BEDS. THE APPLICANT PSYCHIATRIC**
 305 **HOSPITAL OR UNIT SHALL NOT EXCEED THE NUMBER OF BEDS CALCULATED AS FOLLOWS:**

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

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

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

316 **(iv) DIVIDE THE RESULT OF SUBSECTION (iii) ABOVE BY 1095 (OR 1096 IF THE 36-MONTH**
 317 **PERIOD INCLUDES A LEAP YEAR) AND ROUND UP TO THE NEXT WHOLE NUMBER OR 10.**

318 **WHICHEVER IS LARGER. THIS IS THE MAXIMUM NUMBER OF BEDS THAT CAN BE LICENSED AT**
 319 **THE EXISTING LICENSED PSYCHIATRIC HOSPITAL OR UNIT SITE AFTER REPLACEMENT.**

320
 321 **Section 8. Requirements for approval of an applicant proposing to relocate existing licensed**
 322 **inpatient psychiatric beds**

323
 324 Sec. 8. (1) The proposed project to relocate beds, under this section, shall constitute a change in bed
 325 capacity under Section 1(3) of these standards.

326
 327 (2) Any existing licensed inpatient psychiatric hospital or unit may relocate all or a portion of its beds
 328 to another existing licensed inpatient psychiatric hospital or unit located within the same planning area.

329
 330 (3) The inpatient psychiatric hospital or unit from which the beds are being relocated, and the
 331 inpatient psychiatric hospital or unit receiving the beds, shall not require any ownership relationship.

332
 333 (4) The relocated beds shall be licensed to the receiving inpatient psychiatric hospital or unit and will
 334 be counted in the inventory for the applicable planning area.

335
 336 (5) The relocation of beds under this section shall not be subject to a mileage limitation.

337
 338 (6) The relocation of beds under this section shall not result in initiation of a new adult or
 339 child/adolescent service.

340
 341 **(7) THE APPLICANT SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS, AS**
 342 **APPLICABLE:**

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

345 **(b) IF THE SOURCE PSYCHIATRIC HOSPITAL OR UNIT DOES NOT HAVE AN AVERAGE**
 346 **OCCUPANCY RATE OF AT LEAST 60% FOR ADULT BEDS AND 40% FOR CHILD/ADOLESCENT**
 347 **BEDS, THEN THE SOURCE PSYCHIATRIC HOSPITAL OR UNIT SHALL REDUCE THE**
 348 **APPROPRIATE NUMBER OF LICENSED BEDS TO ACHIEVE AN AVERAGE OCCUPANCY RATE OF**
 349 **AT LEAST 60% FOR ADULT BEDS AND 40% FOR CHILD/ADOLESCENT BEDS UPON COMPLETION**
 350 **OF THE RELOCATION(S). THE SOURCE PSYCHIATRIC HOSPITAL OR UNIT SHALL NOT EXCEED**
 351 **THE NUMBER OF BEDS CALCULATED AS FOLLOWS:**

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

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

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

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

366
 367 **(4) A SOURCE HOSPITAL SHALL APPLY FOR MULTIPLE RELOCATIONS ON THE SAME**
 368 **APPLICATION DATE, AND THE APPLICATIONS CAN BE COMBINED TO MEET THE CRITERIA OF**
 369 **(7)(b) ABOVE. A SEPARATE APPLICATION SHALL BE SUBMITTED FOR EACH PROPOSED**
 370 **RELOCATION.**

371
372
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Section 9. Requirements for approval to increase beds

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

(1) AN APPLICANT PROPOSING NEW BEDS IN A PSYCHIATRIC HOSPITAL OR UNIT, EXCEPT AN APPLICANT MEETING THE REQUIREMENTS OF SUBSECTION (3), (9), or (10) SHALL DEMONSTRATE THAT ~~T~~he number of beds proposed in the CON application will not result in the number of existing adult or child/adolescent psychiatric beds, as applicable, in the planning area exceeding the bed need. 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, the difference is equal to or more than 1 or less than 10.

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

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

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

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

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

(i) For a facility with flex beds,

(A) calculate the average occupancy rate as follows:

(1) For adult beds:

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

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

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

(2) For child/adolescent beds:

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

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

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

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

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

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

429
430 (4) Proof of current contract or documentation of contract renewal, if current contract is under
431 negotiation, with at least one CMH or its designee that serves the planning area in which the proposed
432 beds or service will be located.

433
434 (5) Previously made commitments, if any, to the Department or CMH to serve public patients have
435 been fulfilled.

436
437 (6) The number of beds proposed in the CON application to be allocated for use by public patients
438 shall not be less than 50% of the beds proposed in the CON application. Applications proposed in direct
439 response to a Department plan pursuant to subsection (9) shall allocate not less than 80% of the beds
440 proposed in the CON application.

441
442 (7) The minimum number of beds in a psychiatric unit shall be at least 10 beds. If a psychiatric unit
443 has or proposes to operate both adult and child/adolescent beds, then each unit shall have a minimum of
444 10 beds. The Department may approve an application for a unit of less than 10 beds, if the applicant
445 demonstrates, to the satisfaction of the Department, that travel time to existing units would significantly
446 impair access to care. **THIS SUBSECTION SHALL NOT APPLY IF ADDING BEDS FROM A SPECIAL**
447 **POPULATION GROUP CONTAINED IN THE ADDENDUM TO THESE STANDARDS.**

448
449 (8) Subsection (2) shall not apply if the Director of the Department has certified in writing that the
450 proposed project is a direct response to a Department plan for reducing the use of public institutions for
451 acute mental health care through the closure of a state-owned psychiatric hospital.

452
453 (9) An applicant shall not be required to be in compliance with subsection (1) if the applicant
454 demonstrates that the application meets both of the following:

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

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

461
462 (10) An applicant proposing to add new adult and/or child/adolescent psychiatric beds, as the
463 receiving licensed inpatient psychiatric hospital or unit under Section 8, shall demonstrate that it meets all
464 of the requirements of this subsection and shall not be required to be in compliance with the bed need if
465 the application meets all other applicable CON review standards and agrees and assures to comply with
466 all applicable project delivery requirements.

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

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

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

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

474
475 **Section 10. Requirements for approval for flex beds**

477 Sec. 10. An applicant proposing flex beds shall demonstrate the following as applicable to the
478 proposed project:

479 (1) The applicant has existing adult psychiatric beds and existing child/adolescent psychiatric beds.
480

481 (2) The number of flex beds proposed in the CON application shall not result in the existing adult
482 psychiatric unit to become non-compliant with the minimum size requirements within Section 6(4).
483

484 (3) The applicant shall meet all applicable sections of the standards.
485

486 (4) The facility shall be in compliance and meet all design standards of the most recent Minimum
487 Design Standards for Health Care Facilities in Michigan.
488

489 (5) The applicant shall convert the beds back to adult inpatient psychiatric beds if the bed has not
490 been used as a flex bed serving a child/adolescent patient for a continuous 12-month period or if the CON
491 application is withdrawn.
492

493

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

495

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

500

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

503

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

505

506 **(3) THE APPLICANT SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS, AS**
507 **APPLICABLE:**

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

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

514 **(i) THE PSYCHIATRIC HOSPITAL OR UNIT TO BE ACQUIRED WILL ACHIEVE AN AVERAGE**
515 **OCCUPANCY RATE OF AT LEAST 60% AVERAGE ANNUAL OCCUPANCY FOR ADULT BEDS OR**
516 **40% ANNUAL AVERAGE OCCUPANCY FOR CHILD/ADOLESCENT BEDS FOR THE REVISED**
517 **LICENSED BED COMPLEMENT DURING ANY CONSECUTIVE 12-MONTH PERIOD BY THE END OF**
518 **THE SECOND YEAR OF OPERATION AFTER COMPLETION OF THE ACQUISITION.**

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

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

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

525 **(1) SUBTRACT THE NUMBER OF CHILD/ADOLESCENT PATIENT DAYS OF CARE PROVIDED**
526 **IN THE FLEX BEDS FROM THE NUMBER OF CHILD ADOLESCENT PATIENT DAYS OF CARE;**
527 **DIVIDE THIS NUMBER BY THE CHILD/ADOLESCENT BED DAYS, THEN MULTIPLY THE RESULT BY**
528 **100.**

529 (C) FLEX BEDS APPROVED UNDER SECTION 10 SHALL BE COUNTED AS EXISTING ADULT
 530 INPATIENT PSYCHIATRIC BEDS.

531 (c) IF THE PSYCHIATRIC HOSPITAL OR UNIT TO BE ACQUIRED DOES NOT ACHIEVE AN
 532 AVERAGE ANNUAL OCCUPANCY RATE OF AT LEAST 60% FOR ADULT BEDS OR 40% FOR
 533 CHILD/ADOLESCENT BEDS, AS CALCULATED ABOVE, DURING ANY CONSECUTIVE 12-MONTH
 534 PERIOD BY THE END OF THE SECOND YEAR OF OPERATION AFTER COMPLETION OF THE
 535 ACQUISITION, THE APPLICANT SHALL RELINQUISH SUFFICIENT BEDS AT THE EXISTING
 536 PSYCHIATRIC HOSPITAL OR UNIT TO RAISE ITS AVERAGE OCCUPANCY TO 60% FOR ADULT
 537 BEDS OR 40% FOR CHILD/ADOLESCENT BEDS. THE REVISED NUMBER OF LICENSED BEDS AT
 538 THE PSYCHIATRIC HOSPITAL OR UNIT SHALL BE CALCULATED AS FOLLOWS. HOWEVER, THE
 539 PSYCHIATRIC HOSPITAL OR UNIT SHALL NOT BE REDUCED TO LESS THAN 10 BEDS.

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

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

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

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

554 Section 12. Additional requirements for applications included in comparative review

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

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

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

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

578 (c) A qualifying project will have 5 points deducted if, on or after November 26, 1995, the records
 579 maintained by the Department document that the applicant entered into a contract with MDCH or CMH
 580 but never admitted any public patients referred pursuant to that contract.
 581

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

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

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

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

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

598	599 Hospital Indigent	600 Points
601	602 <u>Volume</u>	603 <u>Awarded</u>
604	605 0 - <6%	606 1
607	608 6 - <11%	609 2
610	611 11 - <16%	612 3
613	614 16 - <21%	615 4
616	617 21 - <26%	618 5
619	620 26 - <31%	621 6
622	623 31 - <36%	624 7
625	626 36 - <41%	627 8
628	629 41 - <46%	630 9
631	632 46% +	633 10

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

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

624	625 Psychiatric Hospital/Unit	626 Points Deducted
627	628 <u>Compliance Action</u>	629 <u>Points Deducted</u>
630	631 Non-renewal or revocation of license	632 4
633	634 Non-renewal or termination of:	
635	636 Certification - Medicare	637 4
638	639 Certification - Medicaid	640 4

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

643

644 **Section 13. Requirements for approval -- all applicants**

645

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

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

651

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

662

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

664

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

667

668 (1) Compliance with these standards.

669

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

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

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

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

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

685

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

- 687 (a) An applicant shall participate in Medicaid at least 12 consecutive months within the first two years
688 of operation and continue to participate annually thereafter.
- 689 (b) The applicant, to assure appropriate utilization by all segments of the Michigan population, shall:
690 (i) not deny acute inpatient mental health services to any individual based on ability to pay, source of
691 payment, age, race, handicap, national origin, religion, gender, sexual orientation or commitment status;
692 (ii) provide acute inpatient mental health services to any individual based on clinical indications of
693 need for the services; and
694 (iii) maintain information by payor and non-paying sources to indicate the volume of care from each
695 source provided annually. Compliance with selective contracting requirements shall not be construed as
696 a violation of this term.
697
- 698 (4) Compliance with the following monitoring and reporting requirements:
699 (a) The average occupancy rate for all licensed beds at the psychiatric hospital or unit shall be at
700 least 60 percent (%) for adult beds and 40 percent (%) for child/adolescent beds for the second 12
701 months of operation, and annually thereafter.
702 (i) Calculate average occupancy rate for adult beds as follows:
703 (A) Add the number of adult patient days of care to the number of child/adolescent patient days of
704 care provided in the flex beds; divide this number by the adult bed days, then multiply the result by 100.
705 (ii) Calculate average occupancy rate for child/adolescent beds as follows:
706 (A) Subtract the number of child/adolescent patient days of care provided in the flex beds from the
707 number of child adolescent patient days of care; divide this number by the child/adolescent bed days,
708 then multiply the result by 100.
709 (b) Flex beds approved under section 10 shall be counted as existing adult inpatient psychiatric
710 beds.
711 (c) After the second 12 months of operation, if the average occupancy rate is below 60% for adult
712 beds or 40% for child/adolescent beds, the number of beds shall be reduced to achieve a minimum of
713 60% average annual occupancy for adult beds or 40% annual average occupancy for child/adolescent
714 beds for the revised licensed bed complement. However, the psychiatric hospital or unit shall not be
715 reduced to less than 10 beds.
716 (d) The applicant shall participate in a data collection network established and administered by the
717 Department or its designee. The data may include, but is not limited to: annual budget and cost
718 information, operating schedules, and demographic, diagnostic, morbidity and mortality information, as
719 well as the volume of care provided to patients from all payor sources. The applicant shall provide the
720 required data on a separate basis for each licensed site; in a format established by the Department; and
721 in a mutually agreed upon media. The Department may elect to verify the data through on-site review of
722 appropriate records.
723 (e) The applicant shall provide the Department with a notice stating the date the beds or services are
724 placed in operation and such notice shall be submitted to the Department consistent with applicable
725 statute and promulgated rules.
726 (f) An applicant required to enter into a contract with a CMH(s) or the Department pursuant to these
727 standards shall have in place, at the time the approved beds or services become operational, a signed
728 contract to serve the public patient. The contract must address a single entry and exit system including
729 discharge planning for each public patient. The contract shall specify that at least 50% or 80% of the
730 approved beds, as required by the applicable sections of these standards, shall be allocated to the public
731 patient, and shall specify the hospital's or unit's willingness to admit patients with an involuntary
732 commitment status. The contract need not be funded.
733
- 734 (5) Compliance with this Section shall be determined by the Department based on a report submitted
735 by the applicant and/or other information available to the Department.
736
- 737 (6) Nothing in this section prohibits the Department from taking compliance action under MCL
738 333.22247.
739

740 (7) The agreements and assurances required by this Section shall be in the form of a certification
741 agreed to by the applicant or its authorized agent.
742

743 **Section 15. Project delivery requirements - additional terms of approval for child/adolescent**
744 **service**
745

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

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

- 752 (i) a child/adolescent psychiatrist;
- 753 (ii) a child psychologist;
- 754 (iii) a psychiatric nurse;
- 755 (iv) a psychiatric social worker;
- 756 (v) an occupational therapist or recreational therapist; and

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

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

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

- 762 (i) a pediatrician;
- 763 (ii) a child neurologist;
- 764 (iii) a neuropsychologist;
- 765 (iv) a speech and language therapist;
- 766 (v) an audiologist; and
- 767 (vi) a dietician.

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

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

773 (g) The applicant shall demonstrate that the child/adolescent service is integrated within the
774 continuum of mental health services available in its planning area by establishing a formal agreement with
775 the CMH(s) serving the planning area in which the child/adolescent specialized psychiatric program is
776 located. The agreement shall address admission and discharge planning issues which include, at a
777 minimum, specific procedures for referrals for appropriate community services and for the exchange of
778 information with the CMH(s), the probate court(s), the home school district, the Michigan Department of
779 Human Services, the parent(s) or legal guardian(s) and/or the patient's attending physician.
780

781 (2) Compliance with this Section shall be determined by the Department based on a report submitted
782 by the program and/or other information available to the Department.
783

784 (3) The agreements and assurances required by this Section shall be in the form of a certification
785 agreed to by the applicant or its authorized agent.
786

787 **Section 16. Department inventory of beds**
788

789 Sec. 16. The Department shall maintain, and provide on request, a listing of the Department Inventory
790 of Beds for each adult and child/adolescent planning area.
791

792 **Section 17. Planning areas**

793
 794 Sec. 17. The planning areas for inpatient psychiatric beds are the geographic boundaries of the
 795 groups of counties as follows.

<u>Planning Areas</u>	<u>Counties</u>
796 797 798 1	Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, Wayne
799 800 2	Clinton, Eaton, Hillsdale, Ingham, Jackson, Lenawee
801 802 3	Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van
803 804	Buren
805 4	Allegan, Ionia, Kent, Lake, Mason, Montcalm, Muskegon, Newaygo,
806 807	Oceana, Ottawa
808 5	Genesee, Lapeer, Shiawassee
809 810 6	Arenac, Bay, Clare, Gladwin, Gratiot, Huron, Iosco, Isabella, Midland,
811 812	Mecosta, Ogemaw, Osceola, Oscoda, Saginaw, Sanilac, Tuscola
813 7	Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford,
814 815	Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee,
816	Montmorency, Otsego, Presque Isle, Roscommon, Wexford
817 8	Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron,
818 819	Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon,
820	Schoolcraft

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

822
 823 Sec. 18. (1) These CON review standards supercede and replace the CON Review Standards for
 824 Psychiatric Beds and Services, approved by the CON Commission on December 13, 2012~~SEPTEMBER~~
 825 21, 2016 and effective on March 22, 2013~~DECEMBER 9, 2016~~.

826
 827 (2) Projects involving replacement beds, relocation of beds, flex beds under Section 10, or an
 828 increase in beds, approved pursuant to Section 7(3), are reviewed under these standards and shall not
 829 be subject to comparative review.

830
 831 (3) Projects involving initiation of services or an increase in beds, approved pursuant to Section 6(1),
 832 are reviewed under these standards and shall be subject to comparative review.

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APPENDIX A

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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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APPENDIX B

**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.

855 **MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES**

856 **CON REVIEW STANDARDS**
 857 **FOR PSYCHIATRIC BEDS AND SERVICES**
 858 **--ADDENDUM FOR SPECIAL POPULATION GROUPS**
 859

860
 861 (By authority conferred on the CON commission by Section 22215 of Act No. 368 of the Public Acts of
 862 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being
 863 sections 333.22215, 24.207 and 24.208 of the Michigan Compiled Laws.)
 864

865 **Section 1. Applicability; definitions**
 866

867 Sec. 1. (1) This addendum supplements the CON review standards for psychiatric beds and services
 868 and shall be used for determining the need for projects established to better meet the needs of special
 869 population groups within the mental health populations.
 870

871 (2) Except as provided in sections 2, 3, 4, 5, 6, and 7 of this addendum, these standards supplement,
 872 and do not supersede, the requirements and terms of approval required by the CON Review Standards
 873 for Psychiatric Beds and Services.
 874

875 (3) The definitions which apply to the CON Review Standards for Psychiatric Beds and Services shall
 876 apply to these standards.
 877

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

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

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

884 (c) "Medical psychiatric unit" means a unit designed for psychiatric patients (adult or child/adolescent
 885 as applicable) who have also been diagnosed with a medical illness requiring hospitalization, e.g.,
 886 patients who may be on dialysis, require wound care or need intravenous or tube feeding.
 887

888 **Section 2. Requirements for approval -- applicants proposing to increase psychiatric beds --**
 889 **special use exceptions**
 890

891 Sec. 2. A project to increase psychiatric beds in a planning area which, if approved, would otherwise
 892 cause the total number of psychiatric beds in that planning area to exceed the needed psychiatric bed
 893 supply or cause an increase in an existing excess as determined under the applicable CON review
 894 standards for psychiatric beds and services, may nevertheless be approved pursuant to this addendum.
 895

896 Section 3. Statewide pool for the needs of special population groups within the mental health populations
 897

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

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

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

905 (c) Medical psychiatric beds will be allocated 110 adult beds and 20 child/adolescent beds.
 906

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

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

911
 912 (3) Increases in psychiatric beds approved under this addendum for special population groups shall
 913 not cause planning areas currently showing an unmet bed need to have that need reduced or planning
 914 areas showing a current surplus of beds to have that surplus increased.

915
 916 (4) The Commission may adjust the number of beds available in the statewide pool for the needs of
 917 special population groups within the mental health populations concurrent with the biennial recalculation
 918 of the statewide psychiatric inpatient bed need. Modifying the number of beds available in the statewide
 919 pool for the needs of special population groups within the mental health populations pursuant to this
 920 section shall not require a public hearing or submittal of the standard to the Legislature and the Governor
 921 in order to become effective.

922
 923 **Section 4. Requirements for approval for beds from the statewide pool for special population**
 924 **groups allocated to developmental disability patients**

925
 926 Sec. 4. The CON commission determines there is a need for beds for applications designed to
 927 determine the efficiency and effectiveness of specialized programs for the care and treatment of
 928 developmental disability patients as compared to serving these needs in general psychiatric unit(s).

929
 930 (1) An applicant proposing to begin operation of a new adult or child/adolescent psychiatric service or
 931 add beds to an existing adult or child/adolescent psychiatric service under this section shall demonstrate
 932 with credible documentation to the satisfaction of the Department each of the following:

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

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

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

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

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

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

944
 945 (2) All beds approved pursuant to this subsection shall be certified for Medicaid.

946
 947 **Section 5. Requirements for approval for beds from the statewide pool for special population**
 948 **groups allocated to geriatric psychiatric patients**

949
 950 Sec. 5. The CON commission determines there is a need for beds for applications designed to
 951 determine the efficiency and effectiveness of specialized programs for the care and treatment of geriatric
 952 psychiatric patients as compared to serving these needs in general psychiatric unit(s).

953
 954 (1) An applicant proposing to begin operation of a new adult psychiatric service or add beds to an
 955 existing adult psychiatric service under this section shall demonstrate with credible documentation to the
 956 satisfaction of the Department each of the following:

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

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

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

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

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

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

968
 969 (2) All beds approved pursuant to this subsection shall be dually certified for Medicare and Medicaid.
 970

971 **Section 6. Requirements for approval for beds from the statewide pool for special population**
 972 **groups allocated to medical psychiatric patients**
 973

974 Sec. 6. The CON commission determines there is a need for beds for applications designed to
 975 determine the efficiency and effectiveness of specialized programs for the care and treatment of medical
 976 psychiatric patients as compared to serving these needs in general psychiatric unit(s).
 977

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

981 (a) The beds will be operated as part of a specialized program exclusively for adult or
 982 child/adolescent medical psychiatric patients, as applicable, within a licensed hospital licensed under part
 983 215 of the code.

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

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

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

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

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

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

994
 995 (2) All beds approved pursuant to this subsection shall be certified for Medicaid.
 996

997 **Section 7. Acquisition of psychiatric beds approved pursuant to this addendum**
 998

999 Sec. 7. (1) An applicant proposing to acquire psychiatric beds from the statewide pool for special
 1000 population groups allocated to developmental disability shall meet the following:

1001 (a) The applicant shall submit evidence of accreditation of the existing developmental disability
 1002 program by the National Association for the Dually Diagnosed (NADD) or another nationally-recognized
 1003 accreditation organization for developmental disability care and services.

1004 (b) Within 24-months of accepting its first patient, the applicant shall obtain NADD or another
 1005 nationally-recognized accreditation organization for the developmental disability beds proposed under this
 1006 subsection.

1007 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for
 1008 developmental disability patients.

1009 (d) Staff will be specially trained in treatment of developmental disability patients.

1010 (e) The proposed beds will serve only developmental disability patients.

1011 (f) All beds approved pursuant to this subsection shall be certified for Medicaid.
 1012

1013 (2) An applicant proposing to acquire psychiatric beds from the statewide pool for special population
 1014 groups allocated to geriatric psychiatric shall meet the following:

- 1015 (a) The applicant shall submit evidence of accreditation of the existing geriatric psychiatric program
 1016 by CARF or another nationally-recognized accreditation organization for geriatric psychiatric care and
 1017 services.
- 1018 (b) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another
 1019 nationally-recognized accreditation organization for the geriatric psychiatric beds proposed under this
 1020 subsection.
- 1021 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for
 1022 geriatric psychiatric patients.
- 1023 (d) Staff will be specially trained in treatment of geriatric psychiatric patients.
- 1024 (e) The proposed beds will serve only geriatric psychiatric patients.
- 1025 (f) All beds approved pursuant to this subsection shall be dually certified for Medicare and Medicaid.
 1026
- 1027 (3) An applicant proposing to acquire psychiatric beds from the statewide pool for special population
 1028 groups allocated to medical psychiatric shall meet the following:
- 1029 (a) The applicant shall submit evidence of accreditation of the existing medical psychiatric program
 1030 by CARF or another nationally-recognized accreditation organization for medical psychiatric care and
 1031 services.
- 1032 (b) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another
 1033 nationally-recognized accreditation organization for the medical psychiatric beds proposed under this
 1034 subsection.
- 1035 (c) The applicant proposes programs to promote a culture within the facility that is appropriate for
 1036 medical psychiatric patients.
- 1037 (d) Staff will be specially trained in treatment of medical psychiatric patients.
- 1038 (e) The proposed beds will serve only medical psychiatric patients.
- 1039 (f) All beds approved pursuant to this subsection shall be certified for Medicaid.
 1040

1041 **Section 8. Project delivery requirements -- terms of approval for all applicants seeking approval**
 1042 **under section 3(1) of this addendum**
 1043

1044 Sec. 8. (1) An applicant shall agree that if approved, the services shall be delivered in compliance
 1045 with the terms of approval required by the CON Review Standards for Psychiatric Beds and Services.
 1046

1047 (2) An applicant for beds from the statewide pool for special population groups allocated to
 1048 developmental disability patients shall agree that, if approved, all beds approved pursuant to that
 1049 subsection shall be operated in accordance with the following terms of CON approval:

1050 (a) The applicant shall document, at the end of the third year following initiation of beds approved an
 1051 annual average occupancy rate of 80 percent or more. If this occupancy rate has not been met, the
 1052 applicant shall reduce beds to a number of beds necessary to result in a 80 percent average annual
 1053 occupancy for the third full year of operation and annually thereafter. The number of beds reduced shall
 1054 revert to the total statewide pool established for developmental disability beds.

1055 (b) An applicant shall staff the proposed unit for developmental disability patients with employees
 1056 that have been trained in the care and treatment of such individuals.

1057 (c) An applicant shall maintain NADD certification or another nationally-recognized accreditation
 1058 organization for developmental disability care and services.

1059 (d) An applicant shall establish and maintain written policies and procedures for each of the
 1060 following:

1061 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
 1062 appropriate for admission to the developmental disability unit.

1063 (ii) The transfer of patients requiring care at other health care facilities.

1064 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
 1065 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.

1066 (e) If the specialized program is being added to an existing adult or child/adolescent psychiatric
 1067 service, then the existing licensed adult or child/adolescent psychiatric service, as applicable, shall

1068 maintain the volume requirements outlined in Section 14 of the CON Review Standards for Psychiatric
1069 Beds and Services.

1070 (f) The developmental disability unit shall have a day/dining area within, or immediately adjacent to,
1071 the unit(s), which is solely for the use of developmental disability patients.

1072 (g) The developmental disability unit shall have direct access to a secure outdoor or indoor area at
1073 the facility appropriate for supervised activity.

1074 (h) The applicant shall maintain programs to promote a culture within the facility that is appropriate
1075 for developmental disability patients.

1076

1077 (3) An applicant for beds from the statewide pool for special population groups allocated to geriatric
1078 psychiatric patients shall agree that if approved, all beds approved pursuant to that subsection shall be
1079 operated in accordance with the following terms of CON approval:

1080 (a) The applicant shall document, at the end of the third year following initiation of beds approved an
1081 annual average occupancy rate of 80 percent or more. If this occupancy rate has not been met, the
1082 applicant shall reduce beds to a number of beds necessary to result in a 80 percent average annual
1083 occupancy for the third full year of operation and annually thereafter. The number of beds reduced shall
1084 revert to the total statewide pool established for geriatric psychiatric beds.

1085 (b) An applicant shall staff the proposed unit for geriatric psychiatric patients with employees that
1086 have been trained in the care and treatment of such individuals.

1087 (c) An applicant shall maintain CARF certification or another nationally-recognized accreditation
1088 organization for geriatric psychiatric care and services.

1089 (d) An applicant shall establish and maintain written policies and procedures for each of the
1090 following:

1091 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
1092 appropriate for admission to the geriatric psychiatric unit.

1093 (ii) The transfer of patients requiring care at other health care facilities.

1094 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
1095 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.

1096 (e) If the specialized program is being added to an existing adult licensed psychiatric service, then
1097 the existing licensed psychiatric service shall maintain the volume requirements outlined in Section 14 of
1098 the CON Review Standards for Psychiatric Beds and Services.

1099 (f) The geriatric psychiatric unit shall have a day/dining area within, or immediately adjacent to, the
1100 unit(s), which is solely for the use of geriatric psychiatric patients.

1101 (g) The geriatric psychiatric unit shall have direct access to a secure outdoor or indoor area at the
1102 facility appropriate for supervised activity.

1103 (h) The applicant shall maintain programs to promote a culture within the facility that is appropriate
1104 for geriatric psychiatric patients.

1105

1106 (4) An applicant for beds from the statewide pool for special population groups allocated to medical
1107 psychiatric patients shall agree that, if approved, all beds approved pursuant to that subsection shall be
1108 operated in accordance with the following CON terms of approval.

1109 (a) The applicant shall document, at the end of the third year following initiation of beds approved an
1110 annual average occupancy rate of 80 percent or more. If this occupancy rate has not been met, the
1111 applicant shall reduce beds to a number of beds necessary to result in a 80 percent average annual
1112 occupancy for the third full year of operation and annually thereafter. The number of beds reduced shall
1113 revert to the total statewide pool established for medical psychiatric beds.

1114 (b) An applicant shall staff the proposed unit for medical psychiatric patients with employees that
1115 have been trained in the care and treatment of such individuals.

1116 (c) An applicant shall maintain CARF certification or another nationally-recognized accreditation
1117 organization for medical psychiatric care and services.

1118 (d) An applicant shall establish and maintain written policies and procedures for each of the
1119 following:

- 1120 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
1121 appropriate for admission to the medical psychiatric unit.
- 1122 (ii) The transfer of patients requiring care at other health care facilities.
- 1123 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
1124 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.
- 1125 (e) If the specialized program is being added to an existing licensed adult or child/adolescent
1126 psychiatric service, then the existing adult or child/adolescent psychiatric service, as applicable, shall
1127 maintain the volume requirements outlined in Section 14 of the CON Review Standards for Psychiatric
1128 Beds and Services.
- 1129 (f) The medical psychiatric unit shall have a day/dining area within, or immediately adjacent to, the
1130 unit(s), which is solely for the use of medical psychiatric patients.
- 1131 (g) The medical psychiatric unit shall have direct access to a secure outdoor or indoor area at the
1132 facility appropriate for supervised activity.
- 1133 (h) The applicant shall maintain programs to promote a culture within the facility that is appropriate
1134 for medical psychiatric patients.
- 1135

1136 **Section 9. Comparative reviews, effect on prior CON review standards**

1137

1138 Sec. 9. (1) Projects proposed under Section 4 shall be considered a distinct category and shall be
1139 subject to comparative review on a statewide basis.

1140

1141 (2) Projects proposed under Section 5 shall be considered a distinct category and shall be subject to
1142 comparative review on a statewide basis.

1143

1144 (3) Projects proposed under Section 6 shall be considered a distinct category and shall be subject to
1145 comparative review on a statewide basis.

1146

1147