

**MDCH Comments and Recommendations for CON Standards Scheduled for 2009 Review
Presented to CON Commission February 5, 2009**

Psychiatric Beds and Services (Please refer to the attached MDCH staff analysis for additional details.)			
All Identified Issues	Issues Recommended as Requiring Review	Recommended Course of Action to Review Issues	Other/Comments
1. Should the covered service continue to be regulated?	Not Applicable	Continued Regulation.	Psychiatric Beds are not a covered clinical service. Therefore, deregulation is not an option.
2. Clarification to the High Occupancy Language of Section 7(3).	Yes	Draft recommended changes.	Inclusion of language would provide clarification on the established process within the Standards.
3. Inclusion of criteria that requires all outstanding QAAP and CMP are paid in full.	Yes	Draft recommended changes.	Inclusion of the language to the Standards to ensure uniformity with similar CON Standards.
4. Inclusion of quality measure criteria.	Yes.	Draft recommended changes.	Inclusion of the language to the Standards to ensure uniformity with similar CON Standards.
5. Planning year and base year for recalculation of the use rate and bed need.	Yes	Set the Planning Year and Base Year. The Department will apply the bed need methodologies.	Required by Standards.
<p>Recommendation:</p> <p>The Department recommends that the Commission assign the Department with the responsibility to draft the necessary language changes to the Standards, including quality criteria, and apply the bed need methodologies. Further, the Department recommends the base year as 2008 and the planning year as 2015. The Department will present the proposed language and results of the bed need methodologies to the Commission at a future meeting. Language changes for these Standards should all be moved forward to public hearing simultaneously.</p>			

MDCH Staff Analysis of the Psychiatric Beds and Services Standards

Pursuant to MCL 333.22215 (1)(m), the Certificate of Need (CON) Commission is to “..review, and if necessary, revise each set of CON standards at least every 3 years.” In accordance with the established review schedule on the Commission Workplan, the Psychiatric Beds and Services Standards are scheduled for review in calendar year 2009.

Public Hearing Testimony

The Department held a Public Hearing to receive testimony regarding the Standards on October 16, 2008, with written testimony being received for an additional seven (7) days after the hearing. Testimony was received from three (3) organizations and is summarized as follows:

1. Blue Cross Blue Shield of Michigan
 - Supports current Standards and commends the results of the previous Psychiatric Services Workgroup.
 - Recommends no modification.
2. Economic Alliance of Michigan.
 - Supports current Standards and commends the results of the previous Psychiatric Services Workgroup.
 - Recommends no modification.
3. University of Michigan Health System
 - Notes that the current Standards have been in place less than one (1) year and that it is too early to evaluate the effects of the changes.
 - Recommends no modification.

High Occupancy Language in Section 7(3)

Section 7(3) allows an applicant to expand beyond the bed need set within the Standards. The language, however, is not clear that the planning area must be at a bed need of zero or over-bedded to use this provision. The Department interprets the section as such, clarifying language would be beneficial. Thus, the Department recommends inclusion of criteria in Section 7(3) which reads “The number of existing adult or child/adolescent Psychiatric Beds in the planning area is equal to or exceeds the bed need set forth in Appendix A or B, as applicable”.

Outstanding Debt Obligations

The Department reported to the Commission, at its December 9, 2008 Meeting, that approximately \$200,000 has been collected as a result of the Quality Assurance Assessment Program (QAAP)/Civil Monetary Penalties (CMP) criteria within the Nursing Home and Hospital-Long-Term Care Unit Beds (NH) Standards. The Department recommends that similar criteria be added to these Standards to ensure uniformity within similar CON Standards.

Quality Criteria

This issue of quality is not currently addressed within these Standards. As such, a provider with many quality issues could meet the Standards and be approved for a CON for additional beds. The Department is recommending that quality criteria within these Standards be evaluated. The Department would prepare a report and recommendation for Commission consideration at a future meeting.

Planning Year and Base Year

Pursuant to Section 4(2), the Department is to apply the bed need methodologies on a biennial basis. The bed need methodologies were calculated in 2007. The Department is required to recalculate the bed need methodologies in 2009.

Section 4(3) requires the Commission designate the planning year and, for child adolescent beds, the base year. The planning year and base year are defined as follows:

Section 2(1)(c) "Base year" means 1992 or 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.

Section 2(1)(y) "Planning year" means 1990 or a year in the future, at least 3 years but no more than 7 years, established by the CON Commission for which inpatient psychiatric bed needs are developed. The planning year shall be a year for which official population projections from the Department of Management and Budget are available.

The Department recommends that the Commission set the planning year as 2015 and the base year as 2008.

MDCH Staff Recommendations:

The public testimony supports the current Standards without modification. However, the Department recommends inclusion of clarifying high occupancy language, outstanding debt obligation criteria, and quality criteria. Additionally, the Commission needs to set the planning year and base year to enable to Department to calculate the use rate and bed need. The Department will present a report on quality criteria, proposed language, and results of the bed need methodologies to the Commission at a future meeting.