

**SUBSTITUTE FOR
HOUSE BILL NO. 5371**

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
(MCL 400.1 to 400.119b) by adding section 109o.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 109o. (1) The department, in accordance with federal law
2 and regulations, must develop a prospective payment system under
3 the medical assistance program for funding all of the following:
4 (a) A certified community behavioral health clinic.
5 (b) A community mental health service program, nonprofit
6 organization, or private organization that provides mental health
7 services that is certified by the department as a certified
8 community behavioral health clinic, licensed by the department, and
9 adheres to all federal certified community behavioral health clinic



1 requirements.

2 (c) A mental health provider who meets both of the following
3 requirements:

4 (i) Is certified by the department as a certified community
5 behavioral health clinic.

6 (ii) Adheres to all federal certified community behavioral
7 health clinic requirements.

8 (2) The payment system developed under subsection (1) must
9 fully comply with all federal payment methodologies. The department
10 shall apply for any necessary waivers and approvals from the
11 federal Centers for Medicare and Medicaid Services.

12 (3) Subject to approval, the prospective payment system must
13 be implemented before October 1, 2027.

14 (4) The department shall promulgate rules to implement this
15 section including, but not limited to, rules that do all of the
16 following:

17 (a) Ensure continuing compliance with the department's
18 licensing and certification requirements.

19 (b) Prohibit retaliation against a mental health provider
20 described under subsection (1) by a community mental health service
21 program described under subsection (1), and establish procedures
22 for investigating and adjudicating claims of retaliation.

23 (c) Clearly define retaliatory actions and ensure fair
24 enforcement as provided under subsection (5).

25 (d) Ensure equal payment under the prospective payment system
26 developed under subsection (1) to a person described under
27 subsections (1)(a) to (c).

28 (e) Outline the process for dispute resolution including, but
29 not limited to, the appointment of an independent adjudicator,



1 timeline for filing of disputes, and standards for selecting and
2 compensating an independent adjudicator.

3 (5) The department shall establish penalties for a violation
4 of the rules including, but not limited to, imposition of fines,
5 suspension of contracts, or loss of certification as a certified
6 community behavioral health clinic. The department shall enforce
7 the penalties established under this subsection.

8 (6) As used in this section and section 109p:

9 (a) "Certified community behavioral health clinic" means an
10 entity that has been certified by the department in accordance with
11 federal criteria and the protecting access to Medicare act of 2014,
12 Public Law 113-93, or an appropriate change or waiver to the
13 Medicaid state plan.

14 (b) "Prospective payment system" means a payment methodology
15 that funds, in advance, a certified community behavioral health
16 clinic for the anticipated costs of carrying out the direct and
17 indirect clinical and administrative activities required of
18 certified community behavioral health clinics.

19 Enacting section 1. This amendatory act does not take effect
20 unless House Bill No. 5372 of the 102nd Legislature is enacted into
21 law.

