

**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 109w.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1           Sec. 109w. (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 certified community  
4 behavioral health clinics.
- 5           (2) The payment system developed under subsection (1) must  
6 fully comply with all federal payment methodologies. The department  
7 shall apply for any necessary waivers and approvals from the  
8 federal Centers for Medicare and Medicaid Services.
- 9           (3) Subject to approval, the prospective payment system must



1 be implemented before October 1, 2027.

2 (4) The department shall promulgate policies to implement this  
3 section, including, but not limited to, policies that do all of the  
4 following:

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

7 (b) Mitigate conflicts of interest between certified community  
8 behavioral clinics and prepaid inpatient health plans to ensure  
9 individuals experience no barriers in obtaining access to community  
10 mental health services programs.

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

13 (d) Outline the process for dispute resolution, including, but  
14 not limited to, the appointment of an independent adjudicator, a  
15 timeline for filing of disputes, and standards for selecting and  
16 compensating an independent adjudicator.

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

22 (6) The department is not required to comply with this section  
23 unless the legislature appropriates sufficient funds to administer  
24 this section.

25 (7) As used in this section and section 109p:

26 (a) "Certified community behavioral health clinic" means an  
27 entity that has been certified by the department in accordance with  
28 federal criteria and the protecting access to Medicare act of 2014,  
29 Public Law 113-93, or an appropriate change or waiver to the



1 Medicaid state plan, and includes all of the following:

2 (i) A nonprofit or part of a local government behavioral health  
3 authority, agency, or organization.

4 (ii) An outpatient health program or facility operated under  
5 the authority of the Indian Health Service, an Indian tribe, or a  
6 tribal organization that is under a contract, grant, cooperative  
7 agreement, or compact with the Indian Health Service under the  
8 Indian self-determination act, 25 USC 5321 to 5332, or an urban  
9 Indian organization receiving funds under title V of the Indian  
10 health care improvement act, 25 USC 1651 to 1660h.

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

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

