



# SENATE BILL 105: 2021 Appropriations Act, Sec. 9F.4: Local Inpatient Psychiatric Beds or Bed Days

2021-2022 General Assembly

<b>Committee:</b>		<b>Date:</b>	February 25, 2022
<b>Introduced by:</b>		<b>Prepared by:</b>	Jessica Boney Staff Attorney
<b>Analysis of:</b>	Sec. 9F.4 of S.L. 2021-180		

**OVERVIEW:** *Section 9F.4(a) of S.L. 2021-180 states that funds appropriated to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services (DHHS), must continue to be used for the purchase of local inpatient psychiatric beds or bed days. This section instructs DHHS to continue implementing a two-tiered system of payment for purchasing these local inpatient psychiatric beds or bed days based on acuity level, with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels.*

*Section 9F.4.(b) of the act directs DHHS to work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, except that DHHS can use up to 10% of the funds for the purchase of local inpatient psychiatric beds or bed days to pay for facility-based crisis services and nonhospital detoxification services for individuals in need of these services, regardless of whether the individuals are medically indigent.*

*Section 9F.4.(b) of the act requires DHHS to work to ensure that local inpatient psychiatric beds or bed days purchased are distributed across the State and according to need, and that beds or bed days for individuals with higher acuity levels are distributed across the State and according to greatest need based on hospital bed utilization data. This section directs DHHS to enter into contracts awarded equitably around all regions of the State with (local management entity/ managed care organization (LME/MCOs) and local hospitals for the management of these beds or bed days. The LME/MCOs are to manage and control these local inpatient psychiatric beds or bed days.*

*Section 9F.4.(c) of the act directs that funding appropriated to DHHS for the purchase of local inpatient psychiatric beds or bed days must not be allocated to LME/MCOs but held in a statewide reserve at DMH/DD/SAS to pay for services authorized by the LME/MCOs and billed by the hospitals through the LME/MCOs. Under this section, LME/MCOs are to remit claims for payment to DHHS within 15 working days after receipt of a clean claim from the hospital and pay the hospital within 30 working days after receipt of payment from DHHS.*

*Section 9F.4.(d) of the act permits DHHS to contract with another LME/MCO to manage the beds or bed days upon a determination by DHHS that an LME/MCO is not effectively managing the beds or bed days or has failed to comply with the payment provisions of this section.*

*Section 9F.4.(e) of the act requires LME/MCOs to report to DHHS on the utilization of beds or bed days.*

*Section 9F.4.(f) of the act requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by no later than December 1, 2022, and by no later than December 1, 2023, on the following:*

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- *A uniform system for beds or bed days purchased during the preceding fiscal year.*
- *An explanation of the process to ensure that, except as otherwise noted, local inpatient psychiatric beds or bed days purchased are utilized solely for medically indigent individuals and the number of medically indigent individuals served.*
- *The amount of funds used to pay for facility-based crisis services, the number of individuals who received these services, and the outcomes for each individual.*
- *The amount of funds used to pay for nonhospital detoxification services, along with the number of individuals who received these services, and the outcomes for each individual.*
- *Other DHHS initiatives funded by State appropriations to reduce State psychiatric hospital use.*

*This section became effective July 1, 2021.*