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# Wisconsin Legislative Council

## ACT MEMO

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### 2025 Wisconsin Act 9 [2025 Senate Bill 106]

### Psychiatric Residential Treatment Facilities

## 2025 WISCONSIN ACT 9

2025 Wisconsin Act 9 authorizes the Department of Health Services (DHS) to establish a certification process for, and certify psychiatric residential treatment facilities (PRTFs) to provide inpatient psychiatric services for, individuals under age 21, under the direction of a physician, with services provided by a facility that meets standards prescribed by federal regulations. The act also specifies that PRTF services are a reimbursable Medical Assistance (MA) benefit, subject to any necessary federal approval.

### Certification

The act specifies certain aspects of PRTF certification. In particular, DHS may limit the number of certifications it grants to operate PRTFs. And DHS must, using the department's division of the state into regions by county, include statewide geographic consideration in its evaluation of applications for certification to ensure geographic diversity among the regions in the location of PRTFs.

Under the act, DHS may establish any of the following:

- Minimum security requirements for PRTFs.
- A target range for the number of beds in a PRTF.
- Policies for coordination between PRTFs and certain other facilities.
- Appropriate staffing level requirements, including policies to ensure the availability of adequate in-person and on-site care.
- Requirements to define the population to be served at a given PRTF, including establishment of any minimum age requirements.
- Standards for PRTF operations as the department determines are necessary to provide safe and adequate care and treatment of patients and to protect the health and safety of patients and employees of a PRTF.

Additionally, DHS may make announced and unannounced inspections and complaint investigations of PRTFs as it deems necessary, at reasonable times and in a reasonable manner.

### Federal Regulations

The act applies the federal regulatory framework for PRTFs to the state's regulation of PRTFs, including standards for admission and other conditions for MA participation.

The act defines PRTF by reference to the definition provided by the relevant federal regulations. Under those regulations, a PRTF is a facility, other than a hospital, that provides psychiatric services to

individuals under age 21, in an inpatient setting. Those “psychiatric services” are described in federal MA requirements and limits that are applicable to inpatient psychiatric services for individuals under age 21. The act incorporates those requirements and limits, including requirements to provide active treatment and individual plans of care.

As provided under the federal regulations, the act specifies that a treatment team must certify all of the following in order to admit an individual for services: (1) ambulatory care resources available in the community do not meet the treatment needs of the individual; (2) proper treatment of the individual’s psychiatric condition requires services on an inpatient basis under the direction of a physician; and (3) the services can reasonably be expected to improve the individual’s condition or prevent further regression so that the services will no longer be needed. Under the federal regulations incorporated in the act, if an individual is an MA participant when admitted to a PRTF, the treatment team must include a physician who has competence in diagnosis and treatment of mental illness, preferably in child psychiatry, and who has knowledge of the individual’s situation.

The act specifies that a PRTF must comply with all federal conditions of participation, including provisions for the protection of residents, orders for the use of restraint or seclusion, and all other federal conditions of participation that apply to a PRTF.

## **Additional State Regulations**

The act specifies three aspects of PRTF operation that are not addressed in the federal regulations.

- **Video surveillance.** First, the act authorizes a PRTF to use video surveillance and recordings in common areas, entrances, and exits without a patient’s consent, but only if it informs the patient and the patient’s parent, guardian, legal custodian, or Indian custodian of the surveillance and recording. The act specifies that video surveillance and recording may not be used as a substitute for one-on-one monitoring of a patient who is at high risk for self-harm. It also specifies that any video recording is confidential, except as provided by DHS. DHS may review any recording made by a PRTF. The act specifies that DHS must require that a PRTF adopt a policy for monitoring safety, which may include the use of video surveillance and recording in common areas, entrances, and exits.
- **Locked units.** Second, the act specifies that a PRTF may implement the use of locked units for safety, and specifies that DHS may require that a PRTF adopt a policy for the use of locked units for safety.
- **Relationship to other state law.** Third, the act clarifies that admission to a PRTF is subject to the requirements of ch. 51, Stats.

## **Administration**

Lastly, the act addresses the following state administrative and operational aspects:

- **Grant authority.** The act authorizes DHS to provide grants to entities to establish a PRTF, with preference toward having at least one PRTF in the northern or north-central region of the state and at least one in the southern region of the state.
- **Insurance reimbursement.** The act specifies that a PRTF may seek reimbursement for its services from a private health benefit plan or a self-insured governmental health plan.
- **Position authority.** DHS with position authority for four full-time equivalent positions for the purpose of implementing the certification process and requirements for PRTFs.

- **Funding placeholder.** The act includes a placeholder to add funding to implement the act's provisions in DHS's schedule under the biennial state budget.<sup>1</sup>

**Effective date:** July 5, 2025

For a full history of the bill, visit the Legislature's [bill history page](#).

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<sup>1</sup> [2025 Wisconsin Act 15](#), the 2025-27 biennial budget act, appropriates \$1,790,000 general program revenue for the Joint Committee on Finance program supplementation fund to support grants for PRTFs. [s. 20.005 (3) schedule for 20.865 (4), Stats.; and Legislative Fiscal Bureau, *2025-27 Wisconsin State Budget: Comparative Summary of Budget Recommendations*, [Health Services](#) #15 Funding for Psychiatric Residential Treatment Facilities.]