



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-5301/1
SWB:wlj&cde

2023 ASSEMBLY BILL 1003

January 25, 2024 - Introduced by Representatives DITTRICH, DUCHOW, O'CONNOR, KURTZ, SNYDER, BEHNKE and MADISON, cosponsored by Senators JAMES and QUINN. Referred to Committee on Health, Aging and Long-Term Care.

1 **AN ACT to create** 49.46 (2) (b) 14c., 49.46 (2) (bv) and 51.044 of the statutes;
2 **relating to:** psychiatric residential treatment facilities, providing an
3 exemption from emergency rule procedures, and granting rule-making
4 authority.

Analysis by the Legislative Reference Bureau

This bill establishes a Department of Health Services certification process for psychiatric residential treatment facilities. The bill defines a psychiatric residential treatment facility as a non-hospital facility that provides inpatient comprehensive mental health treatment services to individuals under the age of 21 who, due to mental illness, substance use, or severe emotional disturbance, need treatment that can most effectively be provided in a residential treatment facility. Psychiatric residential treatment facilities must be certified by DHS to operate. The bill requires DHS to include a request for \$500,000 of annual funding for the purpose of implementing the regulations described in the bill in its 2025-27 budget request.

The bill also provides that services through a psychiatric residential treatment facility are reimbursable under the Medical Assistance program. The bill requires DHS to submit to the federal government any request for federal approval necessary to provide the reimbursement for services by a psychiatric residential treatment facility under the Medical Assistance program. The Medical Assistance program is a joint federal and state program administered by DHS that provides health care services to individuals with limited financial resources.

ASSEMBLY BILL 1003

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 49.46 (2) (b) 14c. of the statutes is created to read:

2 49.46 (2) (b) 14c. Subject to par. (bv), services by a psychiatric residential
3 treatment facility.

4 **SECTION 2.** 49.46 (2) (bv) of the statutes is created to read:

5 49.46 (2) (bv) The department shall submit to the federal department of health
6 and human services any request for a state plan amendment, waiver, or other federal
7 approval necessary to provide reimbursement for services by a psychiatric
8 residential treatment facility. If the federal department of health and human
9 services approves the request or if no federal approval is necessary, the department
10 shall provide reimbursement under par. (b) 14c. If the federal department of health
11 and human services disapproves the request, the department may not provide
12 reimbursement for services under par. (b) 14c.

13 **SECTION 3.** 51.044 of the statutes is created to read:

14 **51.044 Psychiatric residential treatment facilities. (1) DEFINITION.** In
15 this section, “psychiatric residential treatment facility” is a non-hospital facility
16 that provides inpatient comprehensive mental health treatment services to
17 individuals under the age of 21 who, due to mental illness, substance use, or severe
18 emotional disturbance, need treatment that can most effectively be provided in a
19 residential treatment facility.

20 **(2) CERTIFICATION REQUIRED; EXEMPTION.** (a) No person may operate a
21 psychiatric residential treatment facility without a certification from the

ASSEMBLY BILL 1003

1 department. The department may limit the number of certifications it grants to
2 operate a psychiatric residential treatment facility.

3 (b) A psychiatric residential treatment facility that has a certification from the
4 department under this section is not subject to facility regulation under ch. 48.

5 **(3) RULES.** The department may promulgate rules to implement this section.

6 **SECTION 4. Nonstatutory provisions.**

7 (1) EMERGENCY RULES ON PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES. The
8 department of health services may promulgate emergency rules under s. 227.24
9 implementing certification of psychiatric residential treatment facilities under s.
10 51.044, including development of a new provider type and a reimbursement model
11 for psychiatric residential treatment facilities under the Medical Assistance
12 program under subch. IV of ch. 49. Notwithstanding s. 227.24 (1) (a) and (3), the
13 department of health services is not required to provide evidence that promulgating
14 a rule under this subsection as an emergency rule is necessary for the preservation
15 of the public peace, health, safety, or welfare and is not required to provide a finding
16 of emergency for a rule promulgated under this subsection. Notwithstanding s.
17 227.24 (1) (c) and (2), emergency rules promulgated under this subsection remain in
18 effect until July 1, 2025, or the date on which permanent rules take effect, whichever
19 is sooner.

20 (2) 2025-27 BIENNIAL BUDGET REQUEST. In submitting information under s. 16.42
21 for purposes of the 2025-27 biennial budget bill, the department of health services
22 shall include a request for \$500,000 each fiscal year for the purpose of implementing
23 s. 51.044.

24 (END)