



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1573/P1
SWB:wlj

DOA:.....Lessner, BB0355 - Psychiatric Residential Treatment Facilities

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES

Psychiatric residential treatment facilities

This bill establishes a DHS certification process for psychiatric residential treatment facilities. The bill defines a psychiatric residential treatment facility as a nonhospital 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 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.

Under current law, DHS must award grants for certain community programs. The bill allows DHS to distribute up to \$1,790,000 each fiscal year to support psychiatric residential treatment facilities.

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:

SECTION 1. 46.48 (35) of the statutes is created to read:

46.48 (35) PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES. The department

BILL**SECTION 1**

may distribute not more than \$1,790,000 in each fiscal year to support psychiatric residential treatment facilities under s. 51.044.

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

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

SECTION 3. 49.46 (2) (bv) of the statutes is created to read:

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

SECTION 4. 51.044 of the statutes is created to read:

51.044 Psychiatric residential treatment facilities. (1) DEFINITION. In this section, “psychiatric residential treatment facility” is a nonhospital 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.

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

BILL**SECTION 4**

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

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

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

SECTION 9119. Nonstatutory provisions; Health Services.

(1) EMERGENCY RULES ON PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES.

The department of health services may promulgate emergency rules under s. 227.24 implementing certification of psychiatric residential treatment facilities under s. 51.044, including development of a new provider type and a reimbursement model for psychiatric residential treatment facilities under the Medical Assistance program under subch. IV of ch. 49. Notwithstanding s. 227.24 (1) (a) and (3), the department of health services is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection. Notwithstanding s. 227.24 (1) (c) and (2), emergency rules promulgated under this subsection remain in effect until July 1, 2027, or the date on which permanent rules take effect, whichever is sooner.

(END)