



Michigan's nonpartisan, nonprofit news source

MENU

Don't leaf us hanging.



DONATE



#### TRENDING:

[Coronavirus Michigan](#) | [Gov. Gretchen Whitmer](#) |

[2022 Michigan election](#) | [Michigan K-12 schools](#) |

[2022 Michigan governor race](#)

Michigan Health Watch

# Michigan takes steps to boost bed capacity for kids in mental health crisis



Shortcomings in Michigan's mental health system are well documented, but a change in the way the state funds treatment centers could shore up services. (Shutterstock)



December 1, 2022



[Robin Erb \(Email\)](#)



[Michigan Health Watch](#)

SHARE THIS:



Listen To The Article



 AD AURIS

- ***Staffing shortages largely drove reductions in residential centers for foster and juvenile justice kids in crisis***
- ***Michigan is building financial incentives into contracts with centers to help them build out larger, more secure staffs***

- ***In return, state health officials are requiring the centers to do more to ensure youth receive quality care***
- 

Staffing shortages have helped shrink the number of residential spaces available to children and adolescents in severe mental-health crisis in Michigan's foster and juvenile justice systems.

What was at one point 800 slots for young people in distress has shrunk to fewer than 500 spaces, largely due to the lack of workers.

SPONSOR



State health officials are now embarking on an effort to expand treatment capacity by offering a [form of financial incentive](#) — under a new, more formalized contract process — to dozens of residential treatment facilities that contract with the Michigan Department of Health and Human Services.

#### **Related:**

- [\*\*Staffing woes foil Michigan efforts to keep residents out of nursing homes\*\*](#)
- [\*\*Michigan psychiatric centers cut number of beds despite having more money\*\*](#)
- [\*\*Crucial but underpaid, Michigan home care staff face inflation now, too\*\*](#)
- [\*\*Michigan nursing home staff shortage raises peril, adds to hospital woes\*\*](#)

In broad strokes, MDHHS is offering these facilities a more generous and steady form of payment to keep more beds open and staffed for young people in crisis. By agreeing to pay centers to maintain a maximum number of beds, these facilities can offer steadier job security to the aides, nurses and others who care for patients.

In return, the residential facilities must provide specific assurances to the state about the quality of care young patients will receive. They must, for example, outline to the state how they will help youngsters transition back into the community. And, with few exceptions, facilities that are well staffed will not be able to turn away youth in need, Elizabeth Hertel, MDHHS director, told Bridge Michigan in an interview Wednesday.

Hertel called it a “big shift in how we function.”





The state's new process paying treatment facilities is a "big shift in how we function," said Elizabeth Hertel, director of the Michigan Department of Health and Human Services. (Courtesy photo)

As it stands now, the state pays institutions for bed space only if a youth is using it. As admissions ebb and flow, fluctuating income makes it difficult to maintain staff, Hertel and others told Bridge.

That was especially true during the pandemic, as admissions slowed and institutions reduced operations. At the same time, the pandemic exploded mental health needs among children supported by the state's [thread-bare behavioral health system](#).

The state is now trying to ramp up services again, even as it and other care sectors face critical staffing shortages — as Bridge has documented elsewhere in [long-term care facilities](#), [at-home help](#), and in state-operated [psychiatric care](#).

Steadying income for the facilities will help them maintain and train staff and provide better care for youth, whatever the bed occupancy, Hertel said. While state officials and mental health experts have repeatedly bemoaned the shortage of psychiatrists and nurses, Hertel said most openings at residential treatment centers are "direct care staff," such as residential care aids.

The state's 184-page proposed bid proposal was sent to providers Tuesday, with new contracts expected to be effective by the end of May.

"We are saying to the institutions, 'You need to meet these requirements, and you need to give us a cost estimate for this,'" Hertel said. In return, the state will "pay that dollar amount regardless of whether or not a child is in the bed."

## Staff 'deserve every penny'

The state currently has contracts with 31 [child-caring institutions](#) across the state, organized [by law](#) to "for the purpose of receiving minor children for care, maintenance, and supervision, usually on a 24-hour basis, in buildings maintained by the institution for that purpose."

But those facilities have been dogged by staffing shortages in recent years, driving capacity to serve 800 children at the 31 facilities to serving fewer than 500, according to MDHHS.

The problem is more complicated than sheer numbers on payroll, said Angela Aufdemberge, president and CEO of Dearborn Heights-based [Vista Maria](#). It's about experience, she said.

One of the oldest and largest residential treatment facilities in the state, Vista Maria increased its starting wages from \$12.50 to \$16.05 this past year to recruit staff, she said.

"You need to do that just to attract talent," she said, "and frankly, these people deserve every penny, every dime, every dollar they get."

But in a tight labor market, residential care facilities face constant turnover, losing experienced staff who leave for higher-paying jobs, she said. Because of staffing woes, Vista Maria reduced capacity from 128 to 96 beds within the past year.

While Vista Maria's higher wages ultimately attracted new staff, it will require steady funding to train and retain them as those staff build up experience needed to work with youth with complex mental health needs, she said.

With inexperienced staff, "you don't want open beds for children who have high needs. That is a recipe for crisis for the child and their families."

## **You want that fire department'**

MDHHS has already taken other steps recently to help residential facilities increase staff.

In October, MDHHS doubled rates to care for children, in some cases raising rates from about \$500 per day at facilities to about \$1,000 per day.

It also handed out \$25 million in "pandemic relief," divided into one-time, lump sum payments that ranged from \$100,000 to \$3.5 million to the facilities, according to MDHHS.

Vista Maria received more than \$2 million, Aufdemberge said — money that was desperately needed for the raises and additional training for the 200-employee agency, along with some capital improvements.

"It also gives us that financial cushion to keep moving forward," she said.

The [Community Mental Health Association of Michigan](#) supports the state's move, said its executive director, Bob Sheehan.

The association represents the state's mental health agencies, which have found it increasingly difficult to place children in residential care in recent years. At times, the most troubled youth are turned away from private hospitals that say they cannot adequately or safely care for children who may be suicidal or violent, Sheehan said.

As of August, the latest date for which monthly numbers are easily accessible, 374 foster youth of the 9,658 young people in the state's foster care system, were being served at residential treatment centers, he said. Other youth are sent to treatment centers by the court system.

SPONSOR



Sheehan likened the state's efforts to steady the funding stream to a fire department's budget. Ideally, it remains steady whatever the number of fires or emergencies the firefighters tend to.

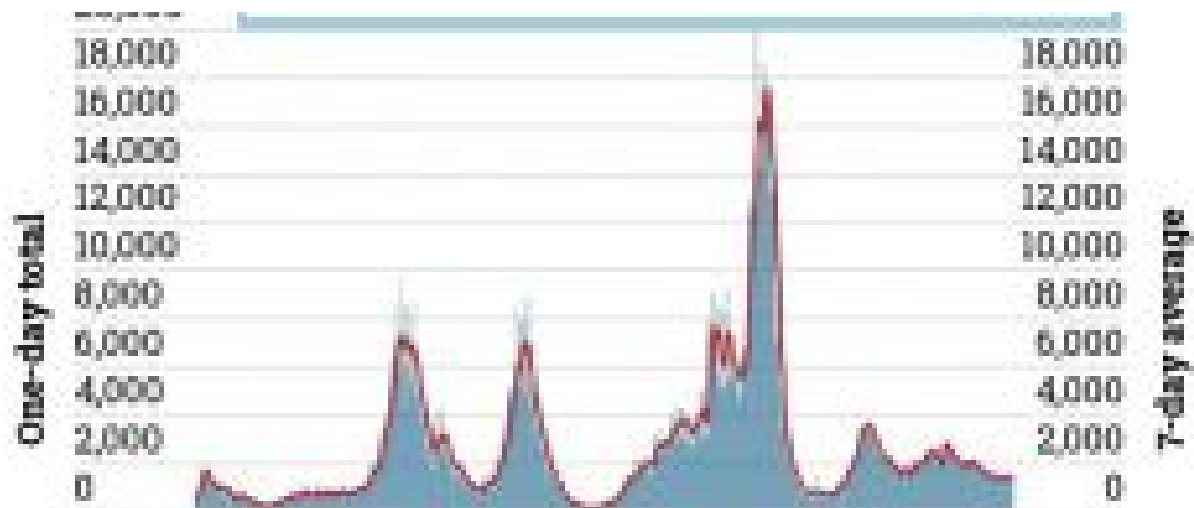
"It's capacity-based financing instead of fee-for-service. You want that fire department there all the time," Sheehan said.

The larger and more fundamental problem, however, is a worker shortage across Michigan, said Matt Gillard, president and CEO of [Michigan's Children](#), a Lansing-based advocacy group.

Stabilizing state funding to facilities over the next year "may help around the edges to address short-term problems," he said. "But we're not going to address this systemically until we address that workforce issue. That's when we truly start to support these areas of critical need in our communities."

## Related Articles:





## Coronavirus Tracker | Weekly cases up 2 percent, deaths plunge

November 29, 2022 | [Bridge Staff](#) in [Michigan Health Watch](#)



## Michigan's pandemic baby bump over: 2022 births sliding again

November 28, 2022 | [Robin Erb](#) in [Michigan Health Watch](#)



## Give thanks: No fall wave of COVID in Michigan

November 22, 2022 | [Mike Wilkinson](#) in [Michigan Health Watch](#)

## Michigan Health Watch

Michigan Health Watch is made possible by generous financial support from:



Please visit the [About](#) page for more information, and [subscribe](#) to Michigan Health Watch.



### We're not just a news organization, we're also your neighbors

We've been there for you with daily Michigan COVID-19 news; reporting on the emergence of the virus, daily numbers with our tracker and dashboard, exploding unemployment, and we finally were able to report on mass vaccine distribution. We report because the news impacts all of us. Will you please support our nonprofit newsroom?



**DONATE NOW**



---

[Home](#)

[Popular](#)

[Topics](#)

[Special Reports](#)

[Archive](#)

[About](#)

[Subscribe](#)

[Contact](#)

---

©2022 Bridge Michigan. All rights reserved.



[Website by Gravity Works](#)