



Date: September 2, 2025

DCTS Action Memo 2025-07

To: Subscribers of the DCTS Action Memo Email Distribution List

From: Gynger Steele, Administrator

Rate Information for Billing for Services Provided by the Mental Health Institutes

Summary

The October 4, 2025, through September 30, 2026, average daily inpatient rate for adult services for Mendota Mental Health Institute and Winnebago Mental Health Institute will increase 10.0 percent from existing rates. The daily rates for child and adolescent services and geropsychiatric services will increase 10.0 percent. The daily rates for emergency detention and nontypical services add-ons will increase 10.0 percent. The daily rates at both facilities are the same and considered systemwide rates.

Background

Each year, the Department of Health Services (DHS) reviews and revises the rates charged for services at the state mental health institutes. The mental health institute rates shown below are effective October 4, 2025.

Rate Schedule for Mental Health Institutes October 4, 2025-September 30, 2026

PER DAY INPATIENT RATE	MENDOTA	WINNEBAGO
Adult Psychiatric Services	\$1,756	\$1,756
Geropsychiatric	\$1,717	NA
Child and Adolescent	NA	\$1,795
Forensic (all security levels)	\$1,756	\$1,756
Emergency Detention Add-On	\$410	\$410
First three days of service (plus intervening weekends and legal holidays)		
Nontypical Services Add-On	\$410	\$410

NOTE: The rate schedule for the mental health institutes listed in [DCTS Action Memo 2024-09](#) will remain in effect October 1, 2025, through October 3, 2025.

Emergency detention approvals

Effective June 30, 2009, Wis. Stat. § 51.15(2) was changed to require approval of the need for emergency detention from the county department of community programs in the county where the individual was taken into custody, prior to transporting the person for detention.

Services for children and elderly

Effective January 1, 2010, Wis. Stat. § 49.45(30r) was changed to require the county to provide the nonfederal portion of the Medicaid payment for services for patients who are under 21 years of age, who are under 22 years of age and were receiving services immediately prior to reaching age 21, or who are 65 years of age or older. DHS will bill the county the full daily rate for these patients and return to the county the federal share of the payment when received. Effective April 1, 2010, Mendota Mental Health Institute stopped serving children and adolescents. Children and adolescents are being served at Winnebago Mental Health Institute.

Payment protocol

Per Wis. Stat. § 51.42(3)(as)2, DHS must deduct the amount due for treatment at the mental health institutes from any payment due from DHS to the county.

Nontypical services

DHS seeks to minimize the shifting of costs whenever possible. Under a straight flat rate system, some costs of nontypical services would be shifted to counties who are responsible for patients not having extraordinary costs. To minimize this, nontypical costs are broken out separately from the flat rate so that only those counties having patients requiring these unusual services incur these costs.

When a patient requires nontypical services or nonemergency outpatient medical care, the county will be notified 48 hours prior to initiating services and, in emergency situations, within eight hours of initiating services. The county is afforded the opportunity to discuss the situation with a representative of the mental health institute empowered to act on behalf of the mental health institute. The county and mental health institute may agree to an alternative course of action, or the county may request the discharge of the patient to pursue the county's choice of an alternate course of action. If the county agrees to the proposed course of action or there is no agreement, the mental health institute will continue the course of action and the county will be liable for the nontypical charge add-on.

Nontypical services are defined as services not normally required by a patient, including, but are not limited to, outpatient medical care, 1:1 care greater than four hours in a 24-hour period, and increased costs to provide mental health services specific to a particular patient (for example, interpreter services for deaf or non-English speaking patients).

Emergency situation is defined as a situation whereby a physician, using their medical judgment, determines serious harm will result to the patient if the proposed action is delayed 48 hours (for example, hospitalization, outpatient medical care, or other nontypical services).

Inpatient medical-related hospitalization

When a patient requires inpatient hospitalization outside a mental health institute, the county will be notified as soon as possible before the hospitalization or, at a minimum, within eight hours of initiating services. The county should work with the outside organization to determine the appropriate entity to be

billed for the inpatient charges. The responsible entity will be billed directly by the outside organization for the hospitalization and all outside costs associated with it. The patient will be discharged to the outside organization for the period of hospitalization and readmitted to the mental health institute when discharged from the outside organization. The county is not billed daily mental health institute rates during outside hospitalization.

Payment for evaluation or treatment ordered by a juvenile court

Medicaid will not pay for court-ordered evaluation or treatment services provided to a juvenile under Wis. Stat. ch. 938 because these services are not considered to be medically necessary (the same as for services provided under the adult criminal code in Wis. Stat. §§ 971.14 and 971.17). Therefore, the county that orders evaluation or treatment services under Wis. Stat. ch. 938 is responsible for payment for these services, as required under Wis. Stat. §§ 938.295; 938.34(6)(a), (b), and (c); 938.361; and 938.362. The county of the court ordering the examination or treatment will receive the bill. The rates charged to the county are based on the daily rates of the unit where the juvenile resides during his/her stay at the mental health institute.

The only exception to county financial responsibility is when alcohol or other drug abuse treatment is determined to be medically necessary under Wis. Stat. § 938.34(6)(am), in which case Medicaid may pay for the service that is provided in an approved alcohol or substance use treatment unit.

Court-ordered adult competency evaluation charges

Wisconsin Stat. § 51.42(3)(as)1m allows the state to bill for stays at the mental health institutes beginning 48 hours, not including weekends and legal holidays, after notification the evaluation is completed. This statute states, “A county department shall reimburse a mental health institute at the institute's daily rate for custody of any person who is ordered by a court located in that county to be examined at the mental health institute under s. 971.14(2) for all days that the person remains in custody at the mental health institute, beginning 48 hours, not including Saturdays, Sundays, and legal holidays, after the sheriff and county department receive notice under s. 971.14(2)(d) that the examination has been completed.”

Email questions or concerns about this memo to DHSWEBMAILDCTS@dhs.wisconsin.gov.