

OASIS · AT A GLANCE

MDHHS Tried to Consolidate Michigan's Behavioral Health System

Ten regional entities would have become three. A court found the procurement conflicted with the Mental Health Code, and the department withdrew it. The pressure that created it has not gone anywhere.

PILLAR: WHERE, WHY | COMPANION TO BLOG POST B163 | 2-PAGE BRIEF

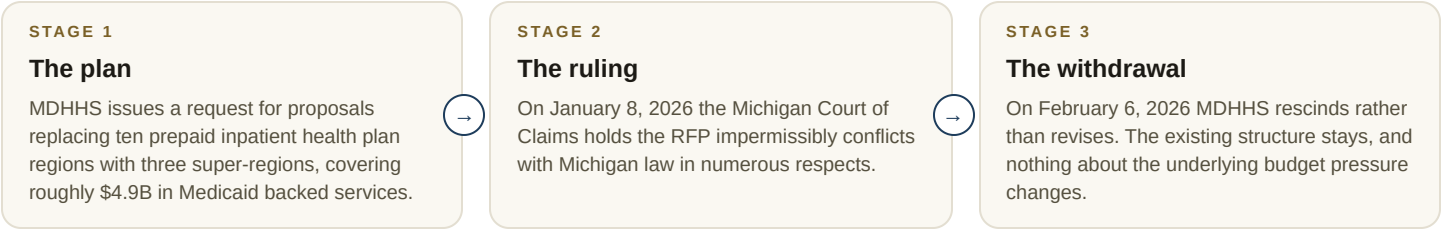
\$2.9M

PAID TO DESIGN IT

McKinsey & Company's total, for a procurement that was withdrawn.

How the procurement rose and fell

PROPOSE, RULE, WITHDRAW



The timeline, as it actually happened

2025 TO 2026

From announcement to withdrawal

Every step is documented in a public filing, a court opinion, or contemporaneous reporting.

2025	MDHHS announces the procurement A request for proposals would replace ten PIHP regions with three super-regions.
Contract	McKinsey & Company engaged \$2.45 million awarded through the Michigan Public Health Institute.
Oct 2025	The contract is expanded An additional \$447,000 is added, bringing the total to roughly \$2.9 million.
Jan 8, 2026	Court of Claims rules Judge Christopher P. Yates finds the RFP conflicts with the Michigan Mental Health Code.
Feb 6, 2026	MDHHS withdraws The department rescinds the RFP rather than revising and reissuing it.
Now	Ten regions remain Plans of service, supports coordinators, and appeal rights are unchanged.

\$4.9B

Services at stake

The value of the Medicaid backed mental health services the withdrawn procurement covered.

300,000

Members served

Medicaid members covered through the current ten region prepaid inpatient health plan structure.

3

Regions proposed

The number of super-regions the RFP would have created, effectively shutting out the current slate.

WHAT THE JUDGE ACTUALLY SAID

“

The RFP impermissibly conflicts with Michigan law in numerous respects, especially insofar as the RFP restricts CMHSPs from entering into financial contracts for the purpose of funding CMHSPs' managed-care functions.

MICHIGAN COURT OF CLAIMS, JANUARY 8, 2026.

THE TAKEAWAY

The ruling was about how the RFP was drafted, not about whether the department may restructure. A second attempt will move faster and will not contain that provision.

TURN THE PAGE

Where restructuring proposals surface before they reach the news, and what to ask during a public comment window.

Watching for the next proposal

BOARD PACKETS, NOT HEADLINES

LOCATE

Know your own region

☐ Find which PIHP region covers your county

☐ Find which CMHSP contracts under it

☐ Get both board meeting schedules

☐ Subscribe to board meeting notices

☐ Note who your CMHSP board members are

MONITOR

Where changes appear first

☐ MDHHS proposed policy bulletins and comment windows

☐ PIHP and CMHSP board agendas and packets

☐ House and Senate Fiscal Agency budget summaries

☐ Michigan Mental Health Code amendment bills

☐ Any new procurement or request for proposals

ASK

Questions for public comment

☐ Which entity holds my plan of service if the region changes

☐ Whether my supports coordinator relationship continues

☐ Whether provider contracts transfer or are renegotiated

☐ How long a transition period families would get, in writing

☐ Whether appeal and fair hearing rights change

TEST

Read any new RFP for this

☐ Whether it restricts CMHSP contracting authority

☐ Whether it was reviewed against the Mental Health Code

☐ What administrative savings are projected, with a source

☐ Who is accountable if service continuity breaks

☐ What the comment window is and when it closes

THREE MINUTES IS ALL IT TAKES

The public comment sheet

01

Who

Your name, your county, and who you care for.

02

What

The specific proposal or agenda item, by name.

03

Impact

One concrete thing that changes for your family.

04

Ask

One question you want answered on the record.

YOUR MOVE

When a restructuring proposal appears again

1

Find your region

PIHP and CMHSP, by name, this week.

2

Subscribe

Board notices arrive before news coverage does.

3

Read the packet

Structural changes live in board materials.

4

Comment in writing

Written comment enters the record; a call does not.

5

Show up once

Three minutes at a board meeting is a public record.

A withdrawn procurement is not a settled question. It is a pause, and pauses are when families get to be heard.

SOURCES

Michigan Court of Claims. Ruling of January 8, 2026, Judge Christopher P. Yates, on the MDHHS prepaid inpatient health plan request for proposals.

Michigan Health & Hospital Association. MDHHS Withdraws PIHP Procurement, February 6, 2026.

Bridge Michigan. Michigan paid consultants \$2.9M for failed mental health redesign, 2026.

Watershed Voice. Michigan mental health service shift blocked by Court of Claims, February 3, 2026.

Michigan Department of Health and Human Services. Prepaid inpatient health plan structure and community mental health services program directory.

ABOUT THE AUTHOR

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