

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Kathleen Haines

Phone Number:

Initial Public Comment Final

Brief description of policy:

The purpose of this policy is to establish cost reporting requirements for behavioral health service providers contracted/affiliated with Community Mental Health Services Programs (CMHSPs) and Prepaid Inpatient Health Plans (PIHPs). Cost reporting requirements are needed to properly analyze and ascertain expenditures for the purposes of updating the behavioral health fee schedule in accordance with state and federal requirements under the Medicaid program.

Reason for policy (problem being addressed):

To establish cost reporting requirements for behavioral health service providers contracted/affiliated with CMHSPs/PIHPs.

Budget implication:

- budget neutral
- will cost MDHHS \$ _____, and (select one) budgeted in current appropriation
- will save MDHHS \$ _____

Is this policy change mandated per federal requirements?

Yes, the change is required by 42 CFR Part 438.66; the change is also required under state law, specifically Section 964 of PA 166 of 2020

Does policy have operational implications on other parts of MDHHS?

Yes, the Behavioral Health and Developmental Disabilities Administration (BHDDA) and the Actuarial Division.

Does policy have operational implications on other departments?

No

Summary of input:

- controversial
- acceptable to most/all groups
- limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please provide status: <input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied Date: _____ Approval Date: _____	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, Submission Date: _____
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DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services		
	Project Number: 2077-BHDDA	Date: April 13, 2021

Comments Due: May 18, 2021
Proposed Effective Date: October 1, 2021
Direct Comments To: Kathleen Haines
Address:
E-Mail Address: HainesK@michigan.gov
Phone: **Fax:**

Policy Subject: Establishment of Cost Reporting Requirements for Behavioral Health Service Providers Contracted/Affiliated with Community Mental Health Services Programs (CMHSPs)/Prepaid Inpatient Health Plans (PIHPs)

Affected Programs: Medicaid, Healthy Michigan Plan, MICHild

Distribution: Behavioral Health and Substance Use Disorder Service Providers, CMHSPs, PIHPs

Summary: The purpose of this policy is to establish cost reporting requirements for behavioral health service providers contracted/affiliated with CMHSPs and PIHPs. Cost reporting requirements are needed to properly analyze and ascertain expenditures for the purposes of updating the behavioral health fee schedule in accordance with state and federal requirements under the Medicaid program.

Purpose: To establish cost reporting requirements for behavioral health service providers contracted with CMHSPs/PIHPs.

Cost Implications: Budget neutral.

Potential Hearings & Appeal Issues: None anticipated.

State Plan Amendment Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, date submitted:	Public Notice Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Submitted date:
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Tribal Notification: Yes No - **Date:**

THIS SECTION COMPLETED BY RECEIVER

<input type="checkbox"/> Approved	<input type="checkbox"/> No Comments
<input type="checkbox"/> Disapproved	<input type="checkbox"/> See Comments Below
	<input type="checkbox"/> See Comments in Text

Signature:	Phone Number
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Signature Printed:

Bureau/Administration *(please print)*

Date

Comment001

Revised 6/16

Proposed Policy Draft

Michigan Department of Health and Human Services
Medical Services Administration

Distribution: Behavioral Health and Substance Use Disorder Service Providers, Community Mental Health Services Programs (CMHSPs), Prepaid Inpatient Health Plans (PIHPs)

Issued: September 1, 2021 (Proposed)

Subject: Establishment of Cost Reporting Requirements for Behavioral Health Service Providers Contracted/Affiliated with CMHSPs/PIHPs

Effective: October 1, 2021 (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan, MICHild

The purpose of this policy is to establish cost reporting requirements for behavioral health service providers contracted/affiliated with CMHSPs/PIHPs (hereafter referred to as network providers) to comply with state and federal requirements, including:

- Adherence to federal regulations under 42 CFR Part 438.66, and;
- The development and maintenance of a behavioral health fee schedule per Section 964 of the Michigan Department of Health and Human Services (MDHHS) budget boilerplate in [Michigan Public Act 166 of 2020](#).

To comply with this requirement, and under the authority of U.S.C. §1396a(a)(30)(A) and 42 CFR. §438.66, the Behavioral Health & Developmental Disabilities Administration (BHDDA) is requiring the reporting of cost and other information from behavioral health service providers beginning October 1, 2021 to be completed annually.

Beginning October 1, 2021 and required annually thereafter, CMHSP/PIHP network behavioral health service providers (providers who contract with PIHPs and CMHSPs) must provide all relevant information for the provision of covered services delivered to Medicaid beneficiaries to MDHHS using standard reporting templates that are provided by MDHHS. (**NOTE:** MDHHS may change the elements within the templates at its discretion with proper advanced notice to providers).

All CMHSP/PIHP network providers must report information that includes, but is not limited to: salary and wages, employee related expenses (e.g., fringe benefits), paid time off, training expenses, employee turnover, and other information determined by MDHHS necessary to execute this policy. Moreover, all providers who meet a specific expenditure threshold established by MDHHS must submit more detailed information, such as the following:

- a) Direct labor costs, including direct and indirect time spent providing for patients;

- b) Direct service supervisory labor costs;
- c) Employee related expenses associated with direct service staff and first line supervisors;
- d) Travel related expenses associated with direct service staff and first line supervisors;
- e) Clinical-related supplies and other expenses;
- f) Provider administrative costs, and;
- g) Costs defined as managed care administration.

CMHSPs are required to comply with the Standard Cost Allocation methodology, which will fulfill the detailed reporting requirement for providers above a certain expenditure threshold.

Specific reporting templates, instructions, and further guidance will be provided by MDHHS through additional communications in advance of the reporting due date.

More information regarding reporting requirements is available [here](#) on the MDHHS website.