

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	<b>Financial Management</b>		
<b>Title:</b>	<b>Performance Bonus Incentive Pool (PBIP) Payments</b>		
<b>Policy:</b> <input type="checkbox"/> <b>Procedure:</b> <input checked="" type="checkbox"/> <b>Page:</b> 1 of 2	<b>Review Cycle:</b> Biennial  <b>Author:</b> Chief Financial Officer	<b>Adopted Date:</b> 04.2018  <b>Review Date:</b> 05.09.2023	<b>Related Policies:</b> Finance: Finance Management

**Purpose**

The purpose of this procedure is to outline the distribution of Michigan Department of Health and Human Services (MDHHS) performance bonus incentive pool (PBIP) funds between Mid-State Health Network (MSHN) as the Prepaid Health Plan (PIHP) and its Community Mental Health Service Programs (CMHSP) Participants.

**Procedure**

In accordance with section 105d (18) of Public Act 107 of 2013, MDHHS shall implement a retroactive withhold of 0.75% of payments to PIHPs for the purpose of establishing a PBIP. Retention of funds from the PBIP is contingent on the PIHP’s completion of the required performance of compliance metrics, which shall include, at a minimum, partnering with other contracted health plans to reduce non-emergent emergency department utilization, increased participation in patient-centered medical homes, increased use of electronic health records and data sharing with other providers, and identification of enrollees who may be eligible for services through the Veterans Administration.

Distribution of funds by MDHHS from the PBIP will be contingent on the PIHP's completion of the required performance of compliance metrics as outlined for the current reporting period.

**MSHN Distribution Procedure**

Upon the receipt of PBIP funds or authorization of earning of PBIP funds from MDHHS, MSHN will distribute the proportionate amounts to the CMHSPs based on the percent of capitation revenue in the funding sources used by MDHHS to calculate the PBIP. The PIHP will not retain any PBIP funds earned.

**Narrative Summary**

PIHPs will submit a narrative summary to MDHHS by the due date specified for the current reporting period in accordance with guidelines specified in the contract.

**Accounting Treatment**

Distributed funds shall be treated as restricted local funding in the fiscal year received which may be later than the fiscal year of the measurement period. Restricted local funding must be utilized for the benefit of the public behavioral health system.

**Applies to:**

- All Mid-State Health Network Staff
- Selected MSHN Staff, as follows:
- MSHN CMHSP Participants:  Policy Only     Policy and Procedure
- Other: Sub-contract Providers

**Definitions:**

CMHSP: Community Mental Health Service Program

MDHHS: Michigan Department of Health and Human Services

MSHN: Mid-State Health Network

**Other Related Materials:**

N/A

**References/Legal Authority:**

Michigan Department of Health and Human Services Contract for 1115 Behavioral Health Demonstration Waiver Program, the Health Michigan Plan and relevant approved Waivers (Children's Waiver Program (CWP), Habilitation Supports Waiver (HSW), Serious Emotional Disturbance (SED))

**Change Log:**

<b>Date of Change</b>	<b>Description of Change</b>	<b>Responsible Party</b>
03.31.2018	New Procedure	Chief Financial Officer
03.31.2019	Procedure Update	Chief Financial Officer
05.2021	Procedure Update	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer