MSHN
Mid-State Health Network

Board of Directors Meeting

May 2, 2017 - 5:00 p.m.

CMH for Central Michigan – Lake Superior Conference Room

BOARD MEETING AGENDA

1. Call to Order
2. Roll Call
3. **ACTION ITEM:** Approval of the Agenda for May 2, 2017

MSHN 16-17-024: APPROVAL OF AGENDA FOR MAY 2, 2017

(Request for additional agenda item(s), and/or removal of any item(s) contained in the Consent Agenda to stand as separate agenda item(s) for discussion.)

4. **ACTION ITEM**: Consent Agenda (Items 4.1 to 4.8.26, Pages 3-106)

MSHN 16-17-025: APPROVAL OF CONSENT AGENDA

(Consent agenda items are presented for review and action by single vote without discussion.)

Approval of MSHN Board Meeting Minutes, 03.07.2017 (Item 4.1)
Receive SUD Oversight Policy Advisory Board Minutes, 02.15.2017 (Item 4.2)
Receive Board Executive Committee Minutes 03.17.17 (Item 4.3)
Receive Board Executive Committee Minutes 04.21.2017 (Item 4.4)
Receive Board Policy Committee Minutes 03.21.17 (Item 4.5)
Receive Operations Council Key Decisions 03.20.2017 (Item 4.6)
Receive Operations Council Key Decisions 04.17.17 (Item 4.7)
Policy Approval (Items 4.8.1 to 4.8.26)

- Finance: Cash Management - Advances 2.0 (4.8.1)
- Finance: Financial Management 3.0 (4.8.2)
- General Mgmt: Appointed Councils, Committees & Workgroups 3.0 (4.8.3)
- General Mgmt: Board Governance.0 (4.8.4)
- General Mgmt: Board Member Conduct 2.0 (4.8.5)
- General Mgmt: Care Coordination 1.0 (4.8.6)
- General Mgmt: Conflict of Interest 4.0 (4.8.7)
- General Mgmt: Consent Agenda 2.0 (4.8.8)
- General Mgmt: Delegation to the CEO and Executive Limitations 1.0 (4.8.9)
- General Mgmt: Freedom of Information Act (FOIA) 1.0 (4.8.10)
- General Mgmt: General Management 3.0 (4.8.11)
- General Mgmt: Monitoring CEO Performance 1.0 (4.8.12)
- General Mgmt: Office Closure 1.0 (4.8.13)
- General Mgmt: Person-Family Centered Plan of Service 1.0 (4.8.14)
- General Mgmt: Policy and Procedure Development and Approval 1.0 (4.8.15)
- General Mgmt: Service Philosophy 3.0 (4.8.16)
- Service Delivery System: Autism Spectrum Disorder Benefit 2.0 (4.8.17)
- Service Delivery System: Cultural Competency 1.0 (4.8.18)
- Service Delivery System: Habilitations Supports Waiver 1.0 (4.8.19)
- Service Delivery System: Out-of-State Placement 1.0 (4.8.20)
- Service Delivery System: Behavioral Health ROSC 1.0 (4.8.21)
- Service Delivery System: Standardized Assessment 2.0 (4.8.22)
- Service Delivery System: SUD Services – Out-of-Region Coverage 1.0 (4.8.23)
- Service Delivery System: Support Intensity Scale (SIS) 2.0 (4.8.24)
- Service Delivery System: Support Intensity Scale Quality Lead 1.0 (4.8.25)
- Service Delivery System: Women's Specialty Services 2.0 (4.8.26)

MSHN

MEETING PURPOSE/GOALS

- Provide Strategic Direction
- Establish MSHN Policy
- Assure Compliance
- Monitor MSHN Performance

MEETING LOCATION

CMH for Central Michigan
Lake Superior Conference Room
301 S. Crapo Street
Mt. Pleasant, MI

TELECONFERENCE INFORMATION:

Call in: 1.888.585.9008
Conference Room: 182 260 353

Please call/email Merre Ashley to confirm your attendance
517.253.7525
merre.ashley@midstatehealthnetwork.org

Future FY17 Board Meetings

- **July 11, 2017**
  Saginaw County CMHA
  500 Hancock, Saginaw
- **September 12, 2017**
  Newaygo County CMH
  1049 Newell, White Cloud

5. Public Comment (3 minutes per speaker)
6. MSHN Board Chair Update
    - Nominating Committee Appointments
    - MACMHB Spring Conference: Voting Delegates
    - Discussion: Board Executive Committee Role
    - Winter Board Meeting Schedule
7. Finance Report (Items 7.0-7.2, Pages 107-117)

    ACTION ITEM: Financial Status Report

MSHN 16-17-026: APPROVAL TO RECEIVE AND FILE FINANCIALS FOR THE PERIOD ENDING MARCH 31, 2017

- FY16 Savings Estimate

8. **ACTION ITEM**: Saginaw CMHSP Long Term Management Plan (Items 8-8.7, Pages 118-139)

MSHN 16-17-027: APPROVAL OF SAGINAW CMHSP LONG TERM MANAGEMENT PLAN

9. Deputy Director Report (Item 9.1, Page 140)
    - Balanced Scorecard Update
    - Other
10. **ACTION ITEM**: FY17 Contract Listing of May 2, 2017 (Items 10-10.1, Pages 141-142)

MSHN 16-17-028: APPROVAL OF FY17 CONTRACT LISTING OF MARCH 7, 2017

11. **ACTION ITEM**: MDHHS/MSHN Contract Amendment #1 (Items 11-11.1, Pages 143-145)

MSHN 16-17-029: APPROVAL OF MDHHS/MSHN CONTRACT AMENDMENT #1

12. MSHN Chief Executive Officer (CEO) Report
13. Other Business
14. Public Comment (3 minutes per speaker)
15. Adjourn

Mid-State Health Network (MSHN) Board of Directors Meeting
Tuesday, March 7, 2017, 5:00 P.M.
Gratiot County Integrated Health Network – The Lawson Center

Meeting Minutes

1. Call to Order

Secretary Jim Anderson called the MSHN Board of Directors Meeting to order at 5:00 p.m.

2. Roll Call

Ms. Merre Ashley provided the Roll Call for Board Members in attendance.

Board Member(s) Present: Jim Anderson (Bay-Arenac), Joe Brehler (CEI), Bruce Cadwallender (Shiawassee), David Griesing (Tuscola), Phil Grimaldi (Saginaw)(via phone), Dan Grimshaw (Tuscola), Mike Hamm (Newaygo), John Johansen (Montcalm), Steve Johnson (Newaygo), Pam Kahler (Huron), Colleen Maillette (Bay Arenac), Deb McPeek-McFadden (Ionia) (via phone), Gretchen Nyland (Ionia) (via phone), Irene O'Boyle (Gratiot) (via phone), Kurt Peasley (Montcalm)(via phone), Joe Phillips (CMH for Central Michigan), Kay Pray (CEI), Kerin Scanlon (CMH for Central Michigan), Robyn Spencer (Shiawassee), and Leola Wilson (Saginaw) (via phone)

Board Member(s) Absent: Brad Bohner (LifeWays), Beverly Wiltse (Huron), and Ed Woods (LifeWays)

Staff Members Present: Joe Sedlock (CEO), Amanda Horgan (Deputy Director), Merre Ashley (Executive Assistant), Forest Goodrich (Chief Information Officer), Dr. Dani Meier (Chief Clinical Officer), Leslie Thomas (Chief Financial Officer)

3. Approval of Agenda for March 7, 2017

Board approval was requested for the Agenda of the March 7, 2017 Regular Business Meeting.

MSHN 16-17-013 MOTION BY DEB MCPEEK-MCFADDEN, SUPPORTED BY JOHN JOHANSEN, FOR APPROVAL OF THE AGENDA OF THE MARCH 7, 2017 REGULAR BUSINESS MEETING, AS PRESENTED. MOTION CARRIED: 18-0.

Ms. Kerin Scanlon arrived at 5:03 p.m.

4. Approval of Consent Agenda

Board approval was requested for Draft Minutes of the November 1, 2016 Regular Business Board Meeting, Draft Meeting Notes of January 10, 2017 Board Informational Meeting, Draft Meeting Minutes of the October 16, 2016 and December 21, 2016 SUD Oversight Policy Advisory Board Meetings, Draft Minutes of the November 18, 2016, December 16, 2016, January 13, 2017 and February 17, 2017 Board Executive Committee Meetings, Draft Minutes of the December 7, 2016 and February 7, 2017 Board Policy Committee Meetings, Key Decisions of the November 14, 2016, December 19, 2016, January 17, 2017, and February 21, 2017 Operations Council, MSHN FY17 Risk Management Strategy, and Policies, as presented.

MSHN 16-17-014 MOTION BY COLLEEN MAILLETTE, SUPPORTED BY DAVID GRIESING, TO APPROVE THE DRAFT MINUTES OF THE NOVEMBER 1, 2016 REGULAR BUSINESS BOARD MEETING, DRAFT MEETING NOTES OF JANUARY 10, 2017 BOARD INFORMATIONAL MEETING, DRAFT MEETING MINUTES OF THE OCTOBER 16, 2016 AND DECEMBER 21, 2016 SUD OVERSIGHT POLICY ADVISORY BOARD MEETINGS, DRAFT MINUTES OF THE NOVEMBER 18, 2016, DECEMBER 16, 2016, JANUARY 13, 2017 AND FEBRUARY 17, 2017 BOARD EXECUTIVE COMMITTEE MEETINGS, DRAFT MINUTES OF THE DECEMBER 7, 2016 AND FEBRUARY 7, 2017 BOARD POLICY COMMITTEE MEETINGS, KEY DECISIONS OF THE NOVEMBER 14, 2016, DECEMBER 19, 2016, JANUARY 17, 2017, AND FEBRUARY 21, 2017 OPERATIONS COUNCIL, MSHN FY17 RISK MANAGEMENT STRATEGY, AND POLICIES, AS PRESENTED. MOTION CARRIED: 19-0.

5. Public Comment

No Public Comments

6. MSHN Board Chair Update

Secretary Anderson explained Chairperson Woods was unable to attend the meeting due to a family issue. He brought forth information on the following:

- Board Executive Committee Action: MCHE Articles of Incorporation
- Board Nominating Committee
    - Election of Board Officers will occur at the September 2017 Board Meeting. A Nominating Committee will be appointed at the May 2017 meeting for this purpose. Members who are interested in serving on the Nominating Committee should contact Chairperson Woods.

7. Autism Cost Settlement Plan Implementation

Mr. Joseph Sedlock reported implementation of the Autism Cost Settlement Plan was endorsed and recommended for Board Action/Approval by the MSHN Operations Council. For timeliness, the Board Executive Committee provided action/approval of the Autism Cost Settlement Plan Implementation at their November 18, 2016, as presented.

MSHN 16-17-015 MOTION BY PAM KAHLER, SUPPORTED BY JOHN JOHANSEN, TO RATIFY NOVEMBER 18, 2016 BOARD EXECUTIVE COMMITTEE ACTION TO APPROVE THE AUTISM COST SETTLEMENT PLAN IMPLEMENTATION, AS PRESENTED. MOTION CARRIED: 18-1.

8. Managed Care Information System

Secretary Anderson reported that in lieu of a quorum at the January 10, 2017 Board of Directors Meeting, Board Executive Committee action of January 13, 2017 included approval to authorize its CEO to negotiate and sign a MCIS contract with PCE Systems, as presented.

MSHN 16-17-016 MOTION BY DEB MCPEEK-MCFADDEN, SUPPORTED BY TINA HICKS, TO RATIFY THE JANUARY 13, 2017 MSHN BOARD EXECUTIVE COMMITTEE ACTION TO AUTHORIZE THE MSHN CHIEF EXECUTIVE TO NEGOTIATE AND SIGN A CONTRACT FOR A MANAGED CARE INFORMATION SYSTEM WITH PCE SYSTEMS FOR AN AMOUNT NOT TO EXCEED $550,000, AS PRESENTED. MOTION CARRIED: 18-1.

9. Compliance Summary Report

Secretary Anderson reported that in lieu of a quorum at the January 10, 2017 Board of Directors Meeting, Board Executive Committee action of January 13, 2017, included approval to receive the Annual Compliance Summary Report for the period of October 1, 2015 through September 30, 2016, as presented.

MSHN 16-17-017 MOTION BY GRETCHEN NYLAND, SUPPORTED BY KURT PEASLEY, TO RATIFY JANUARY 13, 2017 MSHN BOARD EXECUTIVE COMMITTEE ACTION TO APPROVE AND RECEIVE THE ANNUAL COMPLIANCE SUMMARY REPORT FOR THE PERIOD OF OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2016, AS PRESENTED. MOTION CARRIED: 19-0.

10. FY17 Contract Listing of January 10, 2017

Secretary Anderson reported that in lieu of a quorum at the January 10, 2017 Board of Directors Meeting, Board Executive Committee action of January 13, 2017 included approval to authorize its CEO to sign and fully execute the contracts as presented and listed on the FY17 Contract Listing of January 10, 2017.

MSHN 16-17-018 MOTION BY JOE BREHLER, SUPPORTED BY PAM KAHLER, TO RATIFY THE JANUARY 13, 2017 MSHN BOARD EXECUTIVE COMMITTEE ACTION TO AUTHORIZE ITS CHIEF EXECUTIVE OFFICER TO SIGN AND FULLY EXECUTE THE CONTRACTS AS PRESENTED AND LISTED ON THE FY17 CONTRACT LISTING OF JANUARY 10, 2017. MOTION CARRIED: 19-0.

11. Finance Report

Ms. Leslie Thomas provided an overview of the FY15 Compliance Examination, provided by Rosland Prestage and Company. She reported the opinion rendered by Rosland Prestage & Company included MSHN'S compliance in all material respects, and with known compliance requirements, and is the highest that can be achieved. There were no known control deficiencies, non-compliance or fraud. The FY15 Compliance Examination is recommended for Board approval to receive and file.

MSHN 16-17-019 MOTION BY JOHN JOHANSEN, SUPPORTED BY COLLEEN MAILLETTE, TO RECEIVE AND FILE THE MSHN FY15 COMPLIANCE EXAMINATION, AS PRESENTED. MOTION CARRIED: 19-0.

Ms. Thomas provided an overview of preliminary financials for the period ending January 31, 2017, as provided and presented. Board approval to receive and file the financials, as presented, was requested.

MSHN 16-17-020 MOTION BY DAN GRIMSHAW, SUPPORTED BY DAVID GRIESING, TO RECEIVE AND FILE THE PRELIMINARY STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES FOR THE PERIOD ENDING JANUARY 31, 2017, AS PRESENTED. MOTION CARRIED: 19-0.

Ms. Thomas provided a presentation and information on the Internal Service Fund (ISF) Investments Summary. Following discussion, Secretary Anderson thanked Ms. Thomas for the presentation and information included therein.

Ms. Leola Wilson joined the meeting via phone at 5:41 p.m.

12. Deputy Director Report

Ms. Amanda Horgan provided information and updates on the following topics:

- Balanced Scorecard
- National Committee for Quality Assurance (NCQA)

13. FY17 Quality Assessment and Performance Improvement Plan (QAPIP) and Annual Effectiveness Review

Ms. Horgan introduced Ms. Kim Zimmerman, Director of Quality, Compliance and Customer Services, who provided a presentation to the Board for the FY17 QAPIP and Annual Effectiveness Review. Following presentation and discussion, Ms. Zimmerman stated the Quality Assessment and Performance Improvement Plan (QAIP) for the period of October 1, 2016 through September 1, 2017 and Annual Effectiveness Review and Evaluation for the

period of October 1, 2105-September 30, 2016 is recommend for Board approval to receive and file, as presented.

MSHN 16-17-021 MOTION BY DEB MCPEEK-MCFADDEN, SUPPORTED BY JOHN JOHANSEN, FOR APPROVAL TO RECEIVE AND FILE THE QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT PLAN (QAPIP) FOR THE PERIOD OF OCTOBER 1, 2016 THROUGH SEPTEMBER 1, 2017, AND THE ANNUAL EFFECTIVENESS REVIEW AND EVALUATION FOR THE PERIOD OF OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2016, AS CORRECTED. MOTION CARRIED: 19-0.

14. FY17 Contract Listing of March 7, 2017

Ms. Horgan provided an overview of the listings and information of the FY17 Contract Listing, recommended for approval and authorization of CEO signature as presented.

MSHN 16-17-022 MOTION BY COLLEEN MAILLETTE, SUPPORTED BY JOHN JOHANSEN, FOR APPROVAL TO AUTHORIZE ITS CHIEF EXECUTIVE OFFICER TO SIGN AND FULLY EXECUTE THE CONTRACTS AS PRESENTED AND LISTED ON THE FY17 CONTRACT LISTING. MOTION CARRIED: 19-0.

15. Chief Executive Officer Report

Mr. Joseph Sedlock provided information and updates on the following items:

- MDHHS Site Review/Exit Conference Results
- CMHSP Name Change: Gratiot Integrated Health Network
- CMHSP Cash Flow and FY15 Cost Settlement Status
- 298 Update (MSHN Model)
- Statewide Provider Network and Training Reciprocity Workgroups
- Regional Inpatient Operations Workgroup
- PIHPS Approach to the Michigan Department of Corrections (MDOC)
- Asset Identification and Collaboration Planning
    - Working with Lakeshore Regional Entity and Southwest Michigan Behavioral Health
    - Involving Quality Management and Information Technology
    - TBD Solutions (a consulting firm) identifying strengths and areas for collaboration
- Psychiatric Inpatient Denials Pilot
- Psychiatric Inpatient Bed Registry (Regional/Statewide)

16. Other Business

Mr. Dan Grimshaw referenced MSHN's Cost Settlement policy. Following discussion, Mr. Sedlock affirmed a policy is in place to address the CMHSP cash flow issues. Mr. Sedlock received an exception to said policy from the MSHN Executive Committee. Mr. Grimshaw said he believed that exceptions to board-approved policies should be considered by the full board. Ms. Colleen Maillette stated the Board Executive Committee is responsible for working alongside its CEO to resolve such issues between regular meetings of the Board. She said Mr. Sedlock has brought the topic before the Board on numerous occasions, and the Board discussed at great length. Ms. Maillette stated that it is the proper role of the Executive Committee to work with the MSHN CEO to finalize details and address aspects for resolution. Mr. Phil Grimaldi concurred, saying we have a Board and a structure and a communication system, which our CEO has worked through with the Board's executive officers. He continued by saying Mr. Sedlock has operated as an executive director and been conscientious in reporting issues to the Board; we have a functioning group. Mr. Sedlock thanked the board for their comments, and stated year-end reporting will be presented at the Board of Directors meeting in May, which will include strategies for risk management in dealing with these and other types of complex financial issues.

17. Public Comment

There was no Public Comment

18. Adjourn

MSHN 16-17-023 MOTION BY COLLEEN MAILLETTE, SUPPORTED BY STEVE JOHNSON, TO ADJOURN THE MARCH 7, 2017 MSHN BOARD OF DIRECTORS REGULAR BUSINESS MEETING. MOTION CARRIED: 19-0.

The MSHN Regional Board of Directors Meeting adjourned at 6:55 p.m.

Meeting minutes submitted respectfully by:

Merre Ashley, MSHN Executive Assistant

Mid-State Health Network SUD Oversight Policy Advisory Board
Wednesday, February 15, 2017, 4:00 p.m.
Michigan Association of CMH Boards (MACMHB)

Meeting Minutes

1. Call to Order

Chairperson Rice called the MSHN SUD Regional Oversight Policy Board of Directors Meeting to order at 4:00 p.m.

Board Member(s) Present:	Bruce Caswell (Hillsdale), Larry Emig (Osceola), Susan Guernsey (Mecosta)(via phone), John Hunter (Tuscola), Jerry Jaloszynski (Isabella), Carol Koenig (Ingham), Bryan Kolk (Newaygo), Tom Lindeman (Montcalm), John McKellar (Saginaw), Carl Rice (Jackson), Vicky Schultz (Shiawassee), Leonard Strouse (Clare), Sabrina Sylvain (Gratiot), Debbie Thalison (Ionia), Kim Thalison (Eaton), Kam Washburn (Clinton), Virginia Zygiel (Arenac)
Alternate Board Members Present:	John Kroneck (Montcalm), Ken Mitchell (Clinton)
Board Member(s) Absent:	Clark Elftman (Huron), Steve Glaser (Midland), Richard (Dick) Gromaski (Bay)
Staff Members Present:	Amanda Horgan (Deputy Director), Dr. Dani Meier (Chief Clinical Officer), Carolyn Watters (Director of Provider Network Management), Jill Worden (Lead Prevention Specialist), Kari Gulvas (Prevention Specialist), Heather English (Prevention Specialist), Merre Ashley (Executive Assistant)

2. Roll Call

Secretary Deb Thalison provided the Roll Call for Board Attendance.

3. Approval of Agenda for February 15, 2017

Board approval was requested for the Agenda of the February 15, 2017 Organizational Meeting.

ROPB 16-17-011 MOTION BY JOHN MCKELLER, SUPPORTED BY VIRGINIA ZYGIEL, FOR APPROVAL OF THE AGENDA OF THE FEBRUARY 15, 2017 ORGANIZATIONAL MEETING, AS PRESENTED. MOTION CARRIED: 16-0.

4. Approval of Minutes from December 21, 2016 Board Meeting

Parliamentarian Jalosczynski stated Board action captured within the meeting minutes of the December 21, 2017 Board Meeting should have included additional specificity related to recommended edits to the PA2 Funds Policy approval, and provided a brief review of the manner which discussion and action occurred. He recommended approval of the December 21, 2107 meeting minutes, with Board recommended revisions.

ROPB 16-17-012 MOTION BY CAROL KOENIG, SUPPORTED BY LARRY EMIG, FOR APPROVAL OF THE MINUTES OF THE DECEMBER 21, 2016 REGULAR BUSINESS MEETING, REVISED AS RECOMMENDED. MOTION CARRIED: 16-0.

5. Public Comment

Dr. Meier introduced the MSHN Prevention Team members in attendance; Heather English, Kari Gulvas and Jill Worden.

Chairperson Rice welcomed and acknowledged newly appointed members to the SUD OPB, Bryan Kolk, of Newaygo County, and Ken Mitchell, Clinton County Alternate.

6. Annual Organizational Meeting – Election of Officers

Chairperson Rice announced that bylaws specify a two-year time limit for Board Officers.

Chairperson Rice called for nominations from the floor for the election of Board Officers:

- Nomination from the floor for the office of Board Chairperson:
  - Mr. John Hunter

ROPB 16-17-013 MOTION BY LARRY EMIG, SUPPORTED BY JERRY JALOSCZYNSKI, THAT NOMINATIONS BE CLOSED FOR THE OFFICE OF CHAIRPERSON. MOTION CARRIED: 16-0.

ROPB 16-17-014 MOTION BY LARRY EMIG, SUPPORTED BY JERRY JALOSCZYNSKI, TO CAST AN UNANIMOUS VOTE FOR JOHN HUNTER TO THE OFFICE OF CHAIRPERSON OF THE MSHN OVERSIGHT POLICY ADVISORY BOARD. MOTION CARRIED: 16-0.

Ms. Amanda Horgan thanked Mr. Rice for his leadership over the past two years. Chairperson Hunter thanked the Board for their nomination and support. He called for the nominations from the floor for the office of Board Vice-Chairperson.

- Nomination from the floor for the office of Board Vice-Chairperson
    - Nomination: Mr. Bruce Caswell

ROPB 16-17-015 MOTION BY JERRY JALOSCZYNSKI, SUPPORTED BY CAROL KEONIG, THAT NOMINATIONS BE CLOSED FOR THE OFFICE OF VICE-CHAIRPERSON. MOTION CARRIED: 16-0.

ROPB 16-17-016 MOTION BY CAROL KOENIG, SUPPORTED BY JOHN MCKELLAR, TO CAST AN UNANIMOUS VOTE FOR BRUCE CASWELL TO THE OFFICE OF VICE-CHAIRPERSON TO THE MSHN SUD OVERSIGHT POLICY ADVISORY BOARD. MOTION CARRIED: 16-0.

Ms. Susan Guernsey joined the meeting via teleconference at 4:05 p.m.

Chairperson Hunter called for nominations from the floor for the office of Board Secretary.

- Nomination from the floor for the office of Board Secretary
    - Nomination: Ms. Carol Koenig

ROPB 16-17-017 MOTION BY BRUCE CASWELL, SUPPORTED BY CARL RICE, TO NOMINATE AND CAST UNANIMOUS VOTE FOR CAROL KEONIG TO THE OFFICE OF SECRETARY OF THE MSHN SUD OVERSIGHT POLICY ADVISORY BOARD. MOTION CARRIED: 17-0.

ROPB 16-17-018 MOTION BY BRUCE CASWELL, SUPPORTED BY CARL RICE TO CLOSE NOMINATIONS FROM THE FLOOR FOR THE OFFICE OF SECRETARY. MOTION CARRIED: 17-0.

Chairperson Hunter congratulated Mr. Bruce Caswell and Ms. Carol Keonig on election to their respective Board Officer positions. He stated Jerry Jaloscznynski will continue to fill the position of parliamentarian to the MSHN SUD Oversight Policy Advisory Board of Directors.

7. Board Chair Report

Chairperson Hunter again thanked the Board for their support in his election to Chairperson, and stated he had no items to address. Mr. Carl Rice brought forward information he recently heard related to practices in other cities revolving around opioid use and addiction. Following board member discussion/debate regarding practices being reported in the news related to

the opioid epidemic, Chairperson Hunter stated the issue is a very important topic, and has made sides open for debate, but asked the Board move to the next item on the agenda.

8. Deputy Director Report

Ms. Amanda Horgan provided a review of the report included in board packets, titled Summary PA2 Use of Funds by County and Provider. She indicated this information is provided for the Board's information and review only, and asked questions be directed to her or Dr. Meier.

Mr. John McKellar requested clarification related to Saginaw County listings on the report. He indicated his belief was those entities were receiving funding via block grants, not via PA2 funding. Ms. Horgan stated she would investigate that on Mr. McKellar's behalf and follow-up with him as necessary.

Ms. Kim Thalison inquired if there could be a reporting related to longevity of funds moving forward. Ms. Horgan stated the MSHN team would research PA2 previous history, and what is anticipated related to future funding. This information will be added as an agenda item for the next Board Meeting.

9. Approval of FY17 PA2 Funding Requests/Contract Listing

Ms. Horgan stated that the PA2 Funding Requests/Contract Listing provided in Board Packets has been prepared to display information via county and provider, and includes service descriptions per member request. Members who believe an item on the contract listing would affect their services should refrain from voting.

As a follow-up to member questions at the December meeting, Ms. Horgan reported that no additional proposals have been received that have not been brought before the Board.

ROPB 16-17-019 MOTION BY JOHN MCKELLAR, SUPPORTED BY JERRY JALOSCZYNSKI, FOR APPROVAL OF FY17 PA2 FUNDING REQUESTS/CONTRACT LISTING, AS PRESENTED. MOTION CARRIED: 15-0. ABSTAINING: KIM THALISON; DEB THALISON

Ms. Susan Guernsey disconnected at 5:00 p.m.

10. Operating Update

Dr. Dani Meier provided information on the following:

- Kevin's Law
- Assisted Outpatient Treatment Bill
- MDHHS State Targeted Response (STR) to the Opioid Crisis Grant Application
- MSHN Opioid Regional Response

Dr. Meier re-introduced Jill Worden, MSHN Lead Prevention Specialist, who provided the MSHN Prevention PowerPoint presentation around the PIHP's requirements, strategies, activities & populations served.

- Ms. Worden reviewed the information included within the presentation, and reported the PowerPoint would be available electronically via the SUD Oversight Policy Advisory Board page of the MSHN website following the days' meeting. Board member questions and feedback was encouraged. Following discussion, Dr. Meier advised those members with further questions related to MSHN clinical operations and new community programs direct them to Dr. Meier via email address dani.meier@midstatehealthnetwork.org.

11. Other Business

There was no other business

12. Public Comment

Mr. Chris Pinter, Chief Executive Officer of Bay Arenac Behavioral Health, addressed the Board, and provided input related to revised/improved language included in Section 298. He thanked Mr. Bruce Caswell for his strong words and efforts over the past year. He also stated we owe Lieutenant Governor Calley a debt for his support; slowing the action down, supporting the rights of individuals we serve and allowing individuals and the families of individuals receiving services to be a big part of the dialogue. Mr. Pinter stated the MSHN organization, including its councils and committees, are supportive of offering alternatives built on state/county partnership and is optimistic the legislation is going in a direction that will respect that.

Chairperson Hunter thanked Mr. Pinter for his comments.

13. Board Member Comment

Mr. Leonard Strouse discussed an item related to out-of-state investors who have recently been in contact with City Managers in Clare County related to procuring a location for medical marijuana grow facilities. Dr. Meier encouraged Mr. Strouse to advise the City Manager and others involved to talk to their local prevention professionals on this issue.

14. Adjournment

The MSHN SUD Regional Oversight Policy Advisory Board of Directors Meeting adjourned at 5:35 p.m.

Meeting minutes submitted respectfully by:

Merre Ashley
Executive Assistant, MSHN

Mid-State Health Network Board of Directors
Executive Committee Meeting Minutes

Friday, March 17, 2017 * 9:00 a.m.

MEMBERS PRESENT: Ed Woods, Chairperson; Irene O'Boyle, Vice-Chairperson; James Anderson, Secretary
STAFF PRESENT: Amanda Horgan, Deputy Director; Joseph Sedlock, Chief Executive Officer

1. Call to order – The meeting of the MSHN Executive Committee was called to order by Chairperson Woods at 9:00 a.m.

2. Approval of Agenda – Motion by I. O'Boyle, supported by J. Anderson to approve the agenda as presented. Motion carried.

3. Request for Proposals – Professional Employer Organization – Amanda Horgan, Deputy Director, reported that MSHN is issuing a request for proposals (RFP) for professional employer organization (PEO) services. The current contract with Human Capital expires in the next year. It is part of our procurement process to rebid this work. Ms. Horgan discussed performance expectations for the PEO and provided an historical context. MSHN's plan is to release the RFP soon, providing several months for responses, analysis and development of recommendations for fall board consideration, with an anticipated contract date of January 2018.

4. Board Matters –

   4.1. March Board Meeting Follow-Up – Discussed the role, scope of responsibility and authority of the MSHN Executive Committee, and the current general management policy "Delegation to the Chief Executive Officer and Executive Limitations." Two board members raised questions privately about how much authority the executive committee has to act between meetings, relative to the board as a whole. It was noted that Executive Committee meetings are open to board member (and public) participation. The Executive Committee directed that this topic will be brought up with the full board at the May board meeting.

   4.2. Risk and Financial Management – Cash Advance – J. Sedlock informed the Executive Committee that MSHN has received a written request of Saginaw County Community Mental Health for a cash advance of $4M. In part the request indicates that the Saginaw CMH is not in compliance with 30-day clean claims payment standards and that providers contracted to Saginaw CMH are beginning to contact Saginaw CMH board. Saginaw CMH is reportedly between 26 and 60 days past due in a reported amount of over $2.3M. Provider system stability and compliance with payment standards are significant risk issues for the region, and thus for MSHN. MSHN is responsible for compliance with clean claims payment standards, and at present these responsibilities are delegated to CMHSPs. Mr. Sedlock indicated that the matter is under internal review and will be discussed by the MSHN Operations Council, which consists of CMHSP participant Chief Executive Officers, on Monday, March 20, 2017. Executive Committee members expressed deep concern about further involvement of MSHN, and agreed with administration that if financial resources were to be made available, they should include contractual requirements to involve an outside financial consultant to investigate, identify

solutions and then work to resolve the underlying financial issues. Mr. Sedlock is to provide a written summary of the Operations Council action, if any, after the 3/20/17 meeting.

5. Annual Policy Review

   5.1. General Management – Nominations and Elections – No changes recommended; move to MSHN Board Policy Committee.
   5.2. General Management – Monitoring Chief Executive Officer Performance - No changes recommended; move to MSHN Board Policy Committee.

6. Other – None

7. Next Meeting: April 21, 2017 (A. Horgan will staff the meeting; J. Sedlock will be away on leave)

8. Adjourn – meeting adjourned at 9:45 a.m.

Mid-State Health Network Board of Directors
Executive Committee Meeting Minutes

Friday, April 21, 2017 * 9:00 a.m.

MEMBERS PRESENT: Ed Woods, Chairperson; Irene O'Boyle, Vice-Chairperson; James Anderson, Secretary
STAFF PRESENT: Amanda Horgan, Deputy Director

1. Call to order – The meeting of the MSHN Executive Committee was called to order by Chairperson Woods at 9:00 a.m.

2. Approval of Agenda – Amanda Horgan requested the addition of agenda item 3.7 Minutes of the March 2017 Policy Committee Meeting. I. O'Boyle requested discussion of the 2018 Board Meeting Calendar under Other. Motion by I. O'Boyle, supported by J. Anderson to approve the amended agenda as presented. Motion carried.

3. Board Matters –

   3.1. Minutes of the March 2017 Board of Directors Meeting
   Motion by I. O'Boyle, supported by J. Anderson to recommend approval of the March 2017 Board of Directors Meeting Minutes to the full board for approval. Motion carried.

   3.2. Minutes of the March 2017 Executive Committee Meeting
   Motion by I. O'Boyle, supported by J. Anderson to recommend approval of the March 2017 Executive Committee Meeting Minutes to the full board for approval. Motion carried.

   3.3. Minutes of the February SUD Oversight Policy Board Meeting
   Motion by I. O'Boyle, supported by J. Anderson to recommend approval of the February 2017 SUD Oversight Policy Board Meeting Minutes to the full board for approval. Motion carried.

   3.4. Nominating Committee Appointment – Due at May 2, 2017 Board Meeting –
   Reminder that officer elections are to occur at the September 2017 board meeting. The process includes the appointment of a nominating committee at the May board meeting. Chairperson Woods will appoint six members to the Nominating Committee along with appointment of the Nominating Chairperson during the May Board Meeting. Executive Committee recommended appointment of J. Anderson to Chair the Nominating Committee.

   3.5. Preparation for Discussion with Board – Role of Executive Committee Between Meetings
   Discussed March Board minutes under Other Business regarding the role of the Executive Committee. Placed on the May Board agenda under Board Chair Update, to obtain input on the process, distribution of Executive Committee packets to all Board Members, ability to join the meeting as guests and provide any comments under public/board member comments section.

3.6. Revised proposed/draft May 2, 2017 Board Meeting Agenda
Draft board meeting agenda for May 2017 was reviewed. Executive Committee recommended and approved to postpone the FY16 Independent Auditors Report till the July Board meeting to allow more time and discussion for other agenda items. No further action necessary.

3.7. Minutes of the March 2017 Policy Committee Meeting
Motion by I. O'Boyle, supported by J. Anderson to recommend approval of the March 2017 Policy Committee Meeting Minutes to the full board for approval. Motion carried.

4. Finance Matters – Proposed Response to Saginaw Cash Advance Request –
The draft MSHN response and plan, as it pertains to the Saginaw request for a $4M cash advance, was reviewed and discussed. Amanda reviewed the Short-Term Management Plan that has been implemented by MSHN administration under current policy. The current policy would also permit the CEO to implement the Long-Term Management Plan, but in consideration of the divergent points of view among the MSHN Board Members, Joseph Sedlock intends to take this part of the plan to the Board of Directors on May 2 for consideration and decision. Sandy Lindsey, CEO of Saginaw County CMH will be present at the May Board Meeting.

Amanda Horgan reviewed the status of the special accounting review/consultation which indicates the proposal from Yeo & Yeo including the scope and cost is expected to be received today and presented for approval at the May 2, 2017 Board Meeting.

5. Other
5.1. Board Meeting Calendar - Discussed the January and March Board meetings and the ability to have a quorum, due to travel and weather. Suggested only having one meeting during the winter and increasing the meeting months during the spring/summer/fall. This topic item will be added under the Chairperson report for discussion at the May Board meeting.
5.2. SUB OBP Appointments - MSHN has two new SUD OPB Board Members, Steve Glaser (Midland County) and Lisa Ashley (Gladwin)

6. Next Meeting: May 19, 2017, 9:00am

7. Adjourn – meeting adjourned at 9:40 a.m.

Mid-State Health Network

BOARD POLICY COMMITTEE MEETING

Tuesday, March 21, 2017

Teleconference – 9:30 a.m.

MEETING MINUTES

1. Call to Order

1) The MSHN Board Policy Committee Meeting convened at 9:31 a.m.
2) Policy Committee Members Participating: Mike Hamm, John Johansen, Colleen Maillette, Irene O'Boyle, and Kurt Peasley
3) MSHN Staff Participating: Amanda Horgan (Deputy Director) and Merre Ashley (Executive Assistant)

2. Approval of the Agenda

Ms. Amanda Horgan requested revision of the agenda to reflect omission of the General Management: Legislative and Public Policy Advocacy Policy. She stated that although the policy had gone through the normal annual review process earlier this year, late recommendation for wording change was received, which required Operations Council review at their March 20 meeting. Upon their review, council members proposed edits to the policy statement. Those changes are being implemented per the Operations Council recommendation, and will be brought to the Policy Committee for review at its next meeting. Ms. Horgan requested committee support and approval of the March 21, 2017 meeting agenda, revised to reflect removal of the Legislative and Public Policy Advocacy Policy, listed under agenda item three (3); item twelve (12).

MOTION by Kurt Peasley, supported by Mike Hamm, to approve March 21, 2017 Board Policy Committee Meeting Agenda, as revised. Motion Carried: 5-0.

3. Policies Under Annual Review with No Committee Recommended Edits

Ms. Horgan thanked the policy committee for their time and efforts in reviewing the multiple policies slated for annual review. She stated two large sections were included this month; edits made were based on the annual review and update process and primarily consisted of updates to wording and clarification of definitions. Ms. Horgan advised the two Finance section policies were revised per auditor recommendation, citing changes to language around the Code of Federal Regulations (CFR). Following brief discussion around the Cash Advance policy, Ms. Horgan provided clarification on the purpose and intent of the policy, related requirements, and the language included therein. Mr. John Johansen recommended, for ease of review, revisions related to content/language be highlighted on future policy documents prior to distribution to the committee. Ms. Horgan concurred, and stated that due to an oversight on MSHN's part, policies were provided to the committee in their final versions, versus mark-up display. She offered to re-send the policies to the committee to reflect all mark-up/revision, but committee members stated that was not necessary as thorough review of the polices was accomplished

as distributed. Mr. Kurt Peasley requested that policies which contain edits to content/language be noted as such along the top of the policy document, and be listed separately on the meeting agenda from those with just clerical/formatting edits. Ms. Horgan stated meeting agendas would include sections to address that specification moving forward. Ms. Horgan requested committee approval of the policies, with updates and revisions as identified, and recommendation to distribute to the full board for review, as presented.

1) Finance: Cash Management - Advances 2.0
2) Finance: Financial Management 3.0
3) General Management: Appointed Councils, Committees & Workgroups 3.0
4) General Management: Board Governance 1.0
5) General Management: Board Member Conduct 2.0
6) General Management: Care Coordination 1.0
7) General Management: Conflict of Interest 4.0
8) General Management: Consent Agenda 2.0
9) General Management: Delegation to the CEO and Executive Limitations 1.0
10) General Management: Freedom of Information Act (FOIA) 1.0
11) General Management: General Management 3.0
12) General Management: Monitoring CEO Performance 1.0
13) General Management: Office Closure 1.0
14) General Management: Person-Family Centered Plan of Service 1.0
15) General Management: Policy and Procedure Development and Approval 1.0
16) General Management: Service Philosophy 3.0
17) Service Delivery System: Autism Spectrum Disorder Benefit 2.0
18) Service Delivery System: Cultural Competency 1.0
19) Service Delivery System: Habilitations Supports Waiver 1.0
20) Service Delivery System: Out-of-State Placement 1.0
21) Service Delivery System: Behavioral Health Recovery Oriented System of Care 1.0
22) Service Delivery System: Standardized Assessment 2.0
23) Service Delivery System: SUD Services – Out-of-Region Coverage 1.0
24) Service Delivery System: Support Intensity Scale 2.0
25) Service Delivery System: Support Intensity Scale Quality Lead 1.0
26) Service Delivery System: Women's Specialty Services 2.0

MOTION by Colleen Maillette, supported by Irene O'Boyle, to approve and recommend presentation of the MSHN Policies Under Annual Review to the full board, as provided and presented. Motion carried: 5-0.

4. **New Business**

   There was no new business.

5. **Adjournment**

MOTION by Kurt Peasley, supported by Colleen Maillette, to adjourn the March 21, 2017 MSHN Board Policy Committee Meeting. Motion carried: 5-0.

The MSHN Board Policy Committee Meeting adjourned at 9:39 a.m.

Meeting minutes respectfully submitted by:
Merre Ashley, Executive Assistant

Members Present: S. Beals (phone), C. Pinter, T. Quillan, J. Obermesik, L. Hull (phone), S. Prich, S. Lindsey**,** S. Vernon, and M. Leonard.

Members Absent: R. Lathers, S. Lurie, M. Geoghan

MSHN Staff Present: J. Sedlock, A. Horgan, L. Thomas, T. Lewicki

Agenda Item	Key Decisions	Action Required			
Agenda	Approved Added: 5e. HCBS Transition planning 5f. Attorney Opinion - Price Fixing (February Follow-Up) 5g. April Ops Council Meeting Planning				
Consent Agenda	Discussed: B. Discussion on Medicaid Managed Care Rules and MDHSS C. Critical Incident: Discussion regarding QIC clarification of definitions, looking at data as well as Jail Diversion, as well as add summary analysis and recommendations. D. SUD Provider listing – Is this just tx? Some have prevention but not included all prevention. Should have both tx & prevention. Update Gratiot name change F. Update on our status 93% - DDI status chart Consent Agenda Approved after Discussion of the above documents				
	No further action	By Who	N/A	By When	N/A
Operations Council Balanced Scorecard	Provide Use Case Listing from MiHIN – Notes from steering committee Agreed to remove Tri-Care Measure Agreed to add Continuity of Care Measure				
	MSHN to update Ops Scorecard and provide in April MSHN to provide MiHIN Use Case Listing	By Who	Amanda Horgan Forest Goodrich	By When	April 10, 2017
Private Duty Nursing/PIHP Responsibility Transfer – CMHSP contract opportunity	Discussed transition of MDHHS responsibility to MSHN Offered first option to provide contract by MSHN.				
	CMHSP CEOs to indicate interest to provide this service to MSHN.	By Who	CMHs	By When	March 24, 2017

Agenda Item	Key Decisions	Action Required			
Regional Consumer Advisory Council Annual Charter Review/Approval	Reviewed edits				
	Approved by Ops Council	By Who	Amanda Horgan	By When	February 24, 2017
Legislative and Public Policy Advocacy Policy	Discussed recommended edits. Approved as in packet with additional reference item for Operating Agreement, section philosophy.				
	MSHN to add reference and move forward in policy approval process	By Who	Amanda Horgan	By When	April 30, 2017
298 Update	Discussed 298 report				
	Follow up on 298 policy recommendations in April during our strategic focus meeting	By Who	Joseph Sedlock	By When	April 10, 2017
MDHHS/BHDDA Veteran and Military Members Strategic Plan (Follow-Up)	Discussed the plan. Questioned state on PIHP role of this plan. A: None. They are designating Block Grant and targeting potential future increases in GF to fund this project.				
	Informational	By Who	N/A	By When	N/A
FY16 Cost Settlement and Related Financial Reports	Reviewed and discussed Financial Reports for Fiscal Year End, September 30, 2016. • FY 16 Cost Settlement • CMHSP Cost Settlement Verification • FSR Projection/Final Comparison • FY16 Autism Cost Settlement • Benefit Stabilization Comparison • CMHSP Expense Comparison				
	Informational	By Who	N/A	By When	N/A
Saginaw Cost Settlement/Risk Management/Cash Advance	Reviewed Saginaw's cash flow request.				
	a. Confirm current policy or amend to develop a process for analysis and approval of cash flow requests from CMHs b. Draft a contract with Saginaw that includes addressing underlying causes.	By Who	Joe Sedlock	By When	April 30, 2017

Agenda Item	Key Decisions	Action Required			
	Once item a & b complete bring back to Ops council for review and approval. Votes will be recorded for use with MSHN Board. Recommend CMH provide Cash Flow statements to MSHN.		CMH CFO's, Leslie Thomas		April 30, 2017
HCBS Transition Planning	Discussed process for compliance notification letters and communication/copy to CMHs. Template for CAP for MSHN drafted and will be sent with compliance letters. MSHN will be copied on the heightened scrutiny letters				
	Informational	By Who	N/A	By When	N/A
Attorney Opinion – Price Fixing	Operations Council raised the question on universal rate for hospitals, FI, etc. Regional standardized rates are not price fixing per legal response from MSHN attorney. The buyer is not related to price fixing but the seller.				
	Informational	By Who	N/A	By When	N/A
APRIL MEETING: Standardization/Centralization/Position Development	Designate time to discuss in April meeting and provide guidance through work product. MSHN opportunities for added value to the CMHs. Discuss 298 follow up.				
	Informational	By Who	N/A	By When	N/A

Regional Operations Council/CEO Meeting
Key Decisions and Required Action
Date: April 17, 2017

Members Present: S. Beals, S. Lurie, C. Pinter, M. Geoghan (phone) T. Quillan, J. Obermesik, L. Hull, S. Prich (Phone), S. Lindsey**,** S. Vernon, R. Lathers and M. Leonard. Richard Carpenter (Guest)

Members Absent:

MSHN Staff Present: J. Sedlock, A. Horgan, L. Thomas

Agenda Item	Key Decisions	Action Required			
Agenda	Approved Added: V.B. Behavioral Health Consent form				
Consent Agenda	Approved B. PIHP Meeting Notes Question on RFI – MSHN did apply for all four categories Certificate of Need – Evaluating models, HMA conducted a national search and have a draft for review. Once final Ops council will receive the report. 3a. Higher BH rates – Joe clarified that the discussion was around PIHPs/CMHs offering higher rates and still unable to increase access/availability. F. FASD – Power point included in packet as DHHS indicated they wanted the info sent to CMHs. Hopefully more will be coming from DHHS. G. Angel Program – MSP districts cover Jackson, Hillsdale and CEI region. Another source of referral. Other parts of the region to be brought online later in the year.				
	No further action	By Who	N/A	By When	N/A
FY17, Q1 Financial Projections	FY17 Q1 Financial projections reviewed by L. Thomas Discussed Q2 will be available for review in May for Ops discussion				
	Autism review of cost vs. utilization; internal vs external service cost, rates, etc.	By Who	Todd Lewicki/ Leslie Thomas	By When	May 15, 2017

Agenda Item	Key Decisions	Action Required			
LifeWays CMHSP Financial Resources Discussion	LifeWays reviewed the financial information included in the packet. Discussed PEPM payment agreement of the region and there is a possibility of changes this agreement but only with review and analysis and agreement by the Operations Council and the MSHN Board. Discussed revenue projections included in original FY17 budget and plan to revise regional projections as rate setting information is available. Operations Council requests that this information be made available to Operations Council in addition to the Finance Council. Discussed revision to smoothing plan be reviewed due to unexpected revenue issues. (e.g. Autism, HM) – Future meeting				
	Budgets submitted to MSHN outside of PEPM & approved budget stabilization (through 2020) will be further reviewed by MSHN with the requesting CMH. MSHN will dialog with the CMH and request further information to ensure planning and timeline to ensure budget within smoothing plan and PEPM. Any needed plans outside of this will be made available for comment/review by Ops council, especially if there is an additional risk issue to address for the region. MSHN will formalize a written communication to LifeWays and Saginaw to request a plan to bring expenses into line with the approved plan. MSHN will review the smoothing plan and include analysis of Autism and HM revenue (which were not PIHP-managed fund sources when MSHN was created) and recommend any needed changes at a future operations council meeting (finance council to be included in development). MSHN to prepare an analysis at the code level by CMH and forward to CMHs.	By Who	Leslie Thomas Joseph Sedlock Leslie Thomas Leslie Thomas Leslie Thomas / Todd Lewicki	By When	June 2017 May 2017 June 2017 August 2017 July 2017
Saginaw CMHSP Cash Advance	Discussed Saginaw Cash Advance Agreement and communication to local CMH boards and MSHN Board of Directors.				

Agenda Item	Key Decisions	Action Required			
	Discussed MSHN's responsibility to ensure provider network claims are paid timely.				
	Saginaw will prepare for discussion at Board meeting regarding previous and current efforts to reduce expenditures as well as background on expenses from other funding through grants. MSHN will revise the board action summary to remove the CEO voting block..	By Who	Sandy Lindsey Joseph Sedlock	By When	May 2, 2017 May 2, 2017
Visioning for Regional Future	Due to length of meeting, placing on hold the in-depth discussion for May. May Ops meeting to review 2nd quarter projections and will be informed by 298 budget decisions. Discussed 298, house vote on Wednesday, senate vote is Thursday				
	Informational – follow up to occur in May	By Who	Joseph Sedlock	By When	May meeting
Behavioral Health Consent Form	Question on progress on this topic at state. Last meeting was cancelled. There will be a meeting in early May. MSHN submitted questions to the state. State indicated they are making progress on the questions. Also, group indicated Recipient Rights from State should review and provide input.				
	Status update	By Who	N/A	By When	N/A

POLICIES AND PROCEDURES MANUAL

Chapter:	Finance		
Title:	Cash Management - Advances		
Policy: ☒ **Procedure:** ☐ **Version:** 2.0 **Page:** 1 of 3	**Review Cycle:** Annually **Author:** Chief Financial Officer Chief Executive Officer	**Adopted Date: 07.05.2016** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** Financial Management

Purpose

To establish consistent guidelines related to unplanned requests for funds from Community Mental Health Service Programs (CMHSP) Participants and the Substance Use Disorder Provider Network (SUDPN).

Policy

It is the policy of Mid-State Health Network (MSHN) that approval of accelerated payments or cash advance disbursements are made with good internal controls and in accordance with generally accepted accounting principles (GAAP). MSHN will consider requests for advance disbursements (accelerated payments or cash advances), as defined in this policy, within the cash flow requirements of MSHN.

Definitions – Applicable to CMHSP Participants
Accelerated Payment Definition: An *accelerated payment* is defined as funds requested by a CMHSP Participant and distributed prior to MSHN's receipt of Medicaid, Healthy Michigan Plan, Habilitation Supports Waiver or Autism capitation payments from Michigan Department of Health and Human Services (MDHHS). Typically, this payment is due to the CMHSP, it is simply being requested that MSHN provide the funds on an accelerated basis, which means prior to receipt of said funds by MSHN. These are typically very short-term arrangements covering a time period of several days to several weeks; these arrangements may span across to monthly reporting periods, but never beyond.

Cash Advance Definition: A *cash advance* is a disbursement of funds, requested by the CMHSP, to manage short-term cash flow problems. A cash advance is for funds above budgeted current fiscal year disbursements to the CMHSP taking into consideration Medicaid and Healthy Michigan savings for benefit stabilization. Cash advances do not increase the CMHSPs current fiscal year budget nor does a cash advance carry over from one fiscal year to another.

Interim Payment definition: An *interim payment* is the initial 85% of the current year budgeted Medicaid/Healthy Michigan Program payment sent to CMHSP participants upon MSHN's receipt of funds from MDHHS. The interim payment allows CMHSP participants to receive the majority of their anticipated Per Eligible Per Month (PEPM) immediately upon receipt by MSHN. The remaining budgeted disbursement (up to 15%) due to the CMHSP is made after eligibility file process completion and is typically made within three-to-five business days of the initial interim payment.

Request Process: While MSHN reserves the right to request additional documentation/information of justification, requests for consideration under this policy must:

1. Be submitted in writing to the MSHN Chief Financial Officer and
2. Include supporting information and documentation.

Approval – CMHSP Participants
MSHN will consider all requests for accelerated payments or cash advances from CMHSP participants. MSHN will assess regional cash requirements, MSHN cash requirements, bank balances, projected expense payments and all other related factors in making a determination of whether MSHN can support the CMHSP request. MSHN reserves the right, in its sole discretion, to approve, deny, modify or otherwise make decisions based on all available information in the best interests of the region.

The CMHSP will be notified of the decision of MSHN as soon as possible but not later than 30 days after satisfactory submission of all information needed to make a decision.

Approved cash advances will be paid within CMHSP's specified "need by" date if possible or as soon as MSHN can process said request.

Repayment – CMHSP Participants
An accelerated payment made by MSHN to a CMHSP will be repaid by withholding the funds from the next scheduled interim payment due to the CMHSP once funds are received by MSHN from MDHHS. These are typically very short-term arrangements covering a time period of several days to several weeks; these arrangements may span across to monthly reporting periods but never beyond.

A cash advance may be repaid to MSHN by the CMHSP on a mutually agreeable time frame, which is as short in duration as possible, provided that all repayments must occur on or before September 30 of the fiscal year within which the advance was approved and made. CMHSPs unable to meet the repayment requirements will have their organization's outstanding cash advance balance funds deducted from the last PEPM payments of the fiscal year to meet the fiscal year-end deadline net of any amounts due to CMHSP from MSHN.

Definitions – Applicable to SUDPN (Fee for Services/Cost Reimbursement Arrangements)
Cash Advance Definition: A *cash advance* is defined as a request for funds from contracted providers that is financed on a fee-for-service or cost reimbursement basis where service provision has not yet occurred.

Cash Advance Requests must:
1. Be submitted in writing to the MSHN CFO and
2. Include supporting information on MSHN's clinical criteria practice model form

Approval – SUDPN (Fee for Services/Cost Reimbursement Arrangements)
MSHN will consider all requests for cash advances from MSHN contractors financed on a fee for service or cost reimbursement basis. MSHN will assess regional cash requirements, MSHN cash requirements, bank balances, projected expense payments and all other related factors in making a determination of whether MSHN can support the request. MSHN reserves the right, in its sole discretion, to approve, deny, modify or otherwise make decisions based on all available information in the best interests of the region.

The contractor will be notified of the decision of MSHN as soon as possible but not later than 30 days after satisfactory submission of all information needed to make a decision.

Approved advances will be paid within the specified "need by" date if possible or as soon as MSHN can process said request.

Repayment – SUDPN (Fee for Services/Cost Reimbursement Arrangements)
Repayments must be made within 60 days unless another mutually agreed upon time frame exists. All repayments must be made by September 30 of the fiscal year in which the advance was approved and made net of balances due to SUDPN, if any. Repayments may also be deducted from future payments to the contractor, in order to secure the repayment balance due.

General: A cash advance should be considered a rare exception and other revenue sources to cover cash flow issues should be pursued.

All payments must comply with Office of Management and Budget (OMB) 2 CFR 200.305 which requires minimum time elapsing between the transfer of funds from MSHN to the CMHSP participant or the SUDPN vendor. MSHN payment methods consist of Automated Clearing House (ACH), bank wire, or check.

Applies to:
☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's CMHSP Participants: ☒ Policy Only ☒ Policy and Procedure
☒ Other: Sub-contract Providers

Definitions:
Generally accepted accounting principles (GAAP): A collection of commonly followed accounting rules and standards for financial reporting

Other Related Materials:
Clinical Criteria Practice Model

References/Legal Authority:
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
12.11.2015	New Policy	Chief Financial Officer
05.31.2016	Annual Review	Chief Financial Officer
06.20.2016	Revised, Endorsed by Operations Council	Chief Executive Officer
03.2017	Auditor recommended change	Chief Finance Officer

POLICIES AND PROCEDURES MANUAL

Chapter:	Finance		
Title:	**Financial Management Policy**		
Policy: ☒ **Procedure:** ☐ **Version:** 3.0 **Page:** 1 of 5	**Review Cycle:** Annually **Author:** Finance Committee	**Adopted Date: 11.22.2013** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** Cash Management Travel

Purpose

To ensure that MSHN maintains an accurate and consistent financial system, financial data reporting, and risk management program. Supporting procedures will address the details of each responsibility stated. Where applicable, each Community Mental Health Services Program (CMHSP) Participant shall adopt policies and/or procedures that meet, at a minimum, the requirements stated in this policy.

Policy

Mid-State Health Network (MSHN), a regional entity operating as the Prepaid Inpatient Health Plan (PIHP), shall ensure accurate and consistent financial systems, financial data reporting and risk management. All MSHN financial practices shall comply with requirements established by federal and state laws and contracts (including, but not limited to, the Medicaid, Substance Use Disorder, and grant contracts approved by the board), and the Medicaid Provider Manual.

Budgeting – General Accounting and Financial Reporting

A. MSHN shall develop the necessary infrastructure and procedures to ensure that the organization meets all budgeting, accounting, and financial reporting requirements imposed by federal and state laws and contracts (including but not limited to the Medicaid, Substance Use Disorder, and grant contracts approved by the Board), along with the Medicaid Provider Manual.

B. MSHN shall prepare, at a minimum, quarterly financial statements for board review that accurately report the financial position of the PIHP.

C. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or subcontractors include requirements necessary to support the budgeting, accounting, and financial reporting infrastructure and procedures developed. At a minimum, these requirements will include references to applicable laws, contracts, and sections of the Medicaid Provider Manual, and will indicate the required information and timelines for reporting to MSHN.

Revenue Analyses

A. MSHN shall develop procedures to analyze and project revenues/funding received through federal, state, and local contracts, and agreements. These procedures shall be adequate to ensure that all revenues due to the PIHP are recorded properly and timely, that errors or exclusions are identified, and all reasonable and appropriate steps are taken to correct them.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the revenue analysis procedures developed.

Expense Monitoring and Management

A. MSHN shall assure and CMHSP shall develop procedures to monitor expenses to ensure they are reasonable and necessary to meet the needs of the programs and consumers for which MSHN and CMHSP participants are responsible. All expenses, including those incurred by MSHN, must meet federal, state and local requirements, including, but not limited to, Office of Management and Budget Circular 2 CFR 200 Subpart E Cost Principles, applicable federal and state laws and contracts, and other policies and restrictions imposed by the MSHN Board of Directors.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the expense monitoring and management procedures developed. At a minimum, these requirements will include provisions for MSHN monitoring of the CMHSP Participants and/or subcontractors, available sanctions to MSHN for inappropriate or undocumented expenses, and an appeals process. All expense monitoring requirements will be uniformly applied to all MSHN CMHSP Participants.

Service Unit and Recipient-Centered Cost Analyses, and Rate-Setting

A. MSHN shall develop procedures to analyze costs and rates at a level meaningful to the service unit being provided and the recipient of the service. At a minimum, MSHN will perform biennial market rate analysis studies by comparing other PIHP rates, Medicaid Health Plan fee schedules, and commercial insurance reimbursement amounts for like services. MSHN will also consider historical provider arrangements meeting specified costing requirements to ensure best value for all services.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the cost analysis and rate setting process. At a minimum, these requirements shall include the specific information and timeline for reporting to MSHN. All cost analysis and rate setting procedures will be uniformly applied to all MSHN CMHSP participants.

Risk Analyses, Risk Modeling and Underwriting

A. MSHN shall develop a risk management plan that addresses the various risks involved with managing services to eligible consumers as determined by federal and state laws and contracts.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the risk analysis procedures developed. At a minimum, these requirements shall indicate the extent that CMHSP Participants and/or subcontractors hold risk related to the populations they serve, and any financial incentives or terms related to the transfer of risk.

Insurance, Re-insurance, and Management of Risk Pools

A. MSHN shall develop procedures to determine the need for, and to participate in insurance, re-insurance, and risk pools sufficient to mitigate risk, in accordance with the Medicaid Contract, GASB Statement 10 (as amended) and generally accepted accounting principles. MSHN may purchase insurance or self-insure against losses and future funding shortfalls.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the insurance, re- insurance and management of risk pools.

Supervision of Audit and Financial Consulting Relationships

A. MSHN shall develop procedures adequate to ensure supervision of audit/monitoring and financial consulting relationships in the event that these functions are not performed by employees of MSHN.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the supervision of the audit and financial consulting relationships procedures developed. At a minimum, these requirements shall include the expected interactions/relationship between the audit, financial consultants, and the CMHSP/subcontractor.

Claims Adjudication and Payment

A. MSHN shall develop procedures adequate to ensure that claims adjudication and payment are complete, accurate and timely.
    1) CMHSP Participants and subcontractors may be contracted on a basis not conducive to claims adjudication and payment (i.e. sub-capitation or net-cost arrangements). When this occurs, the procedures shall include the mechanisms necessary to initiate payment under these arrangements, and a process by which claims will be captured and associated with the payments. This may require individual or aggregate reporting of activity over the course of a fiscal year.

B. To the extent that claims adjudication and payment functions are delegated to CMHSP Participants and/or subcontractors, the procedures shall include how these functions will be monitored at the CMHSP or subcontractor to ensure compliance with requirements of federal and state laws and contracts, and the Medicaid Provider Manual.

C. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the claims adjudication and payment procedures developed. At a minimum, the contract shall specify the required information, and timeframes for reporting to MSHN, and in the case of delegation, shall indicate the claims adjudication and payment functions that are being delegated to the CMHSP Participant or subcontractor.

Audits

A. MSHN shall develop procedures to adequately accommodate audits of the PIHP to ensure completion in accordance with federal and state laws and contracts. These audits may include, but are not limited to, audits performed by the State of Michigan Office of Inspector General, the Michigan Department of Health and Human Services, other federal and state departments and agencies, and independent auditors.

B. The Chief Financial Officer (CFO) of MSHN shall prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America. These financial statements shall be subjected to an audit in accordance with generally accepted government auditing standards issued by the U.S. Government Accountability Office. The financial statements, with the audit opinion and any additional letters of comments and recommendations (the reporting package), shall be completed in sufficient time to be delivered to all federal, state and local agencies in accordance with agreed timelines, but no later than six months after the end of the fiscal year. The reporting package will be presented to the MSHN Board and remitted to the CMHSP Participants at the next meeting following completion.

C. MSHN shall ensure that all contracts and operating agreements with CMHSPs and/or other subcontractors include requirements necessary to support the audit procedures developed. At a minimum, the requirements shall include the specific information to be provided and timelines for reporting to MSHN.

Applies to:
☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN's CMHSP Participants: ☒ Policy Only ☐Policy and Procedure
☐Other: Sub-contract Providers

Definitions:
GASB: Governmental Accounting Standards Board
CMHSP: Community Mental Health Service ~~Plan~~ Program
MDHHS: Michigan Department of Health & Human Services
PIHP: Prepaid Inpatient Health Plan

Other Related Materials
Audit Procedure
Capitation Payments and Budget Development Procedure
Claims Procedure
Investment Policy Procedure
Costing Procedure
Risk Management Procedure MSHN
Compliance Plan

References/Legal Authority:
N/A

Change Log:

Date Of Change	Description of Change	Responsible Party
11.2013	New Policy	Chief Finance Officer
11.2014	Policy Update	Chief Finance Officer
11.2015	Annual Review	Chief Finance Officer
03.2017	Auditor Recommended Change	Chief Finance Officer

Chapter:	Governance and General Management		
Title:	**Appointed Councils, Committees and Workgroups**		
Policy: ☒ **Procedure:** ☐ **Version:** 3.0 **Page:** 1 of 3	**Review Cycle:** Annually **Author:** Chief Executive Officer	**Adopted Date:** 02.04.2014 **Review Date:** 05.02.2017 **Revision Eff. Date:** 05.03.2016	**Related Policies:** N/A

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

All standing or appointed councils, committees, and workgroups shall operate in accordance with Mid-State Health Network's (MSHN) values, policies and procedures; and shall serve to support the organization's strategic direction, mission, and vision. This policy outlines the expectations for approval of an organized body and stipulates expectations for creation of a charter.

Policy

Institutional planning, performance monitoring and decision making shall be conducted in a clear and efficient manner. When these efforts are delegated to a council or committee a specific charter shall be adopted and approved by the MSHN Board or the Operations Council as granted by the authority of the Operating Agreement. The charter shall authorize the purpose, scope, authority, membership, and structure of the council/committee. The authority and scope of a council/committee shall not exceed the authority and/or scope of the MSHN Chief Executive Officer (CEO).

A. Per the MSHN Operating Agreement, formation of a council is at the discretion of the Board and includes:
   - Operations Council,
   - Consumer Advisory Council*,
   - Substance Use Disorder Oversight Policy Board*,
   - Quality Improvement Council,
   - Finance Council
   - Information Technology Council
   - *Michigan Department of Health and Human Services (MDHHS) required bodies

Council Appointments: Each member of the Operations Council, except as otherwise noted above (*), shall appoint representatives from their respective CMHSP to serve on designated councils, with equal voting authority for each CMHSP Participant. Additional representation (for example, from the substance abuse prevention and treatment provider network) and/or subject matter experts may be added to the Council, without voting privileges, on a standing or ad hoc basis by the MSHN Chief Executive Officer.

Additional Councils: Additional councils may be created from time to time, as determined by the MSHN Board.

B. Standing committees may be formed at the direction of the MSHN CEO in consultation with the Operations Council. Membership while typically representative of the CMHSP Participants, shall be defined based on the scope of committee's work and the competencies and resources necessary to complete the Committee's work.

C. A Council/Committee Charter shall include:
   1. The council's or committee's statement of purpose,

2. Decision-making context, scope and authority,
3. Identification of key customers/stakeholders and their requirements,
4. Planning including defined goals and responsibilities,
5. Monitoring/reporting requirements and defined accountability (key customer requirement and key process requirements),
6. Membership (including required participation),
7. Role and responsibilities,
8. Meeting (frequency, times, attendance, proceedings, minutes, etc.)
9. A description of the process for annual review of the council/committee's effectiveness
10. Council and Committee Charters shall be reviewed annually and approved by the MSHN Chief Executive Officer and Operations Council

D. Workgroups may be formed at the direction of the MSHN CEO, the Operations Council or a member of MSHN staff. Workgroups shall have a clearly defined charge, scope of authority and will develop an action plan that defines a timeline within which the groups work will be complete.

Applies to:
☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's Affiliates: ☐ Policy Only ☒ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:
Council: An organized and standing body of MSHN that provides direct council to the Chief Executive Officer and/or Board.
Committee: An organized body of MSHN that serves to monitor system/process effectiveness, recommend system/process improvement or change, share information and exchange ideas. Committees are accountable to the CEO and Operations Council.
Workgroup: An organized ad-hoc group of MSHN that is project specific and time limited. The group serves to solve a problem, implement a new process/strategy, or develop a program/funding proposal. Workgroups are accountable to the standing committee or MSHN staff overseeing its formation and the project plan.

Other Related Materials:
MSHN Operating Agreement
MSHN Board By-laws

References/Legal Authority:
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
02.2014	New Policy	Chief Executive Officer
03.2015	Annual Review, Update Format, Addition of Definitions	Chief Executive Officer
03.2016	Annual Review, Revision	Chief Executive Officer
01.2017	Annual Review	Chief Executive Officer

POLICIES AND PROCEDURE MANUAL

Chapter:	General Management		
Title:	Board Governance		
Policy: ☒ **Procedure:** ☐ **Version:** 1.0 **Page:** 1 of 2	**Review Cycle:** Annually **Author:** CEO and Board Executive Committee	**Adopted Date: 07.02.2014** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** General Management

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

This policy is intended to clarify the Mid-State Health Network (MSHN) Board's policy governance role; to keep the Board focused upon its philosophy, accountability and the specifics of its role.

Policy

The Board shall carry out its responsibilities using a governing style consistent with policy governance by: (a) Establishing and reviewing strategic priorities; (b) Setting policies necessary to assure achievement of the Prepaid Inpatient Health Plans (PIHP) essential role and to minimize/manage organizational risk; and (c) Conducting an annual Board evaluation to monitor its behavior and practices against this policy.

To this end, Board members shall:

- Be proactive, prepared and participate responsibly;
- Remember a Board member's identity is with the governance of the organization, not the staff;
- Represent the entire MSHN region, not a single constituency;
- Be responsible for group behavior and productivity, and support the Chairperson in addressing divergence from this expectation;
- Be respectful of views that differ from your own without being intimidated by them;
- Use your special expertise to inform and educate the Board;
- Orientate to the whole, not the parts;
- Think upward and outward more than downward and inward;
- Tolerate issues that cannot be quickly settled;
- Don't tolerate putting off the big issues forever;
- Support the Boards' final decision;
- Stay focused on strategic priorities and Board defined objectives (Ends).

Applies to:

☐All Mid-State Health Network Staff: ☒All Mid-State Health Network Board Members
☐Selected MSHN Staff, as follows:
☐MSHN's Affiliates: ☐ Policy Only ☐ Policy and Procedure
Other: ☐Sub-contract Providers

Definitions:

MSHN: Mid-State Health Network
PIHP: Prepaid Inpatient Health Plans

Other Related Materials:

Board By-Laws
Board Annual Evaluation

References/Legal Authority:

John Carver, *Re-inventing your Board: A Step by Step Guide to Implementing Policy Governance*, Jossey–Bass Publishers, San Francisco, 1997

Change Log:

Date of Change	Description of Change	Responsible Party
04.09.2014	New	CEO; Board Executive Committee
05.05.2015	Annual Review – No Changes	CEO; Board Executive Committee
05.03.2016	Annual Review	CEO; Board Executive Committee
03.2017	Annual Review	Chief Executive Officer

POLICIES AND PROCEDURES MANUAL

Chapter:	General Management		
Title:	**Board Member Conduct and Board Meetings**		
Policy: ☒ **Procedure:** ☐ **Version:** 2.0 **Page:** 1 of 3	**Review Cycle:** Annually **Author:** Chief Executive Officer	**Adopted Date: 01.06.2015** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** Program Integrity Conflict of Interest Privacy & Confidentiality

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

The Mid-State Health Network (MSHN) Board exists to represent and make decisions in the best interest of the entire organization and its regional stakeholders. The Board is established to assure development and approval of effective policies that provide for compliance with the approved strategic direction, the MSHN Corporate Compliance Plan, the Board's fiduciary responsibility, approved policies, and authorized contracts.

Each Board Member is expected to adhere to a high standard of ethical conduct and to act in accordance with MSHN's Mission and Core Values. The good name of MSHN depends upon the way Board Members conduct business and the way the public perceives that conduct.

Policy

A. MSHN Board members shall be guided by the following principles in carrying out their responsibilities:

Loyalty: Board members shall act so as to protect MSHN's interests and those of its employees, assets and legal rights, and Board Members shall serve the interests of MSHN, its beneficiaries, partner Community Mental Health Service Programs and the consumers they serve. If an individual Board member disagrees with a decision made by the Board, he/she shall identify if speaking on the matter after the meeting that they are speaking as an individual and not for the Board.

Care: Board members shall apply themselves with seriousness and diligence to participating in the affairs of MSHN and shall act prudently in exercising management oversight of the organization. Board Members are expected to be familiar with MSHN's business and the environment in which the organization operates, and understand MSHN's policies, strategies and core values.

Inquiry: Board members shall take steps necessary to be sufficiently informed to make decisions on behalf of MSHN and to participate in an informed manner in Board activities.

Compliance with Laws, Rules and Regulations: Board members shall comply with all laws, rules and regulations applicable to MSHN.

Observance of Ethical Standards: Board members must adhere to the highest of ethical standards in the conduct of their duties. These include honesty, fairness and integrity. Unethical actions, or the appearance of unethical actions, are not acceptable.

Integrity of Records and Public Reporting: Board members shall promote accurate and reliable preparation and maintenance of MSHN's financial and other records to assure full, fair, accurate, timely, understandable, open and transparent disclosure.

Conflicts of Interest: Board members must act in accordance with the Conflicts of Interest Policy adopted by the MSHN Board, and as amended from time to time.

Confidentiality: Board members shall maintain the confidentiality of information entrusted to them by or about MSHN its business, consumers, or providers, contractors except when disclosure is authorized or legally mandated.

Board Interaction with Payers, Regulators, the Community and Media: The Board recognizes that payers/regulators, members of the media, MSHN's stakeholder groups and the public at large have significant interests in the organizations actions and governance, therefore the Board seeks to ensure appropriate communication, subject to concerns about confidentiality. The Board designates the Chief Executive Officer as the primary point of contract and spokesperson for MSHN.

If comments from the MSHN Board are appropriate, they should be reviewed and discussed by the Board in advance, and, in most circumstances, come from the Chairperson of the Board.

B. **Enforcement**: Board members will discuss with the Board Chairperson any questions or issues that may arise concerning compliance with this policy. Breaches of this policy, whether intentional or unintentional, shall be reviewed in accordance with the MSHN Operating Agreement (Article VIII - Section 8.1) "Dispute Resolution Process." Action to remove a Board member shall occur in accordance with approved bylaws (Section 4.5) "Removal."

Board Meeting Procedures:

A. MSHN Board meetings shall be conducted in accordance with board bylaws and parliamentary procedures. Specifically the process of decision and order of procedures shall occur as outlined in the bylaws section 5.6-5.12.

B. After being recognized by the Chairperson, each Board member may speak on items presently before the Board twice, for up to three (3) minutes each time. The Chairperson may extend an additional (3) minute speaking period at the request of the individual board member or if duly authorized by board action.

C. Any member can motion to close debate, which motion must be seconded and is not debatable. If the motion passes, such debate shall terminate.

Applies to:

☐All Mid-State Health Network Staff
☒ Mid-State Health Network Board Members
☒Selected MSHN Staff, as follows: Chief Executive Officer
☐MSHN's CMHSP Participants: ☐Policy Only ☐Policy and Procedure
☐Other: Sub-contract Providers

Definitions:

Boardsmanship: Describes the competencies and skills necessary to be an effective Board member
CEO: Chief Executive Officer
MSHN: Mid-State Health Network

MDHHS: Michigan Department of Health and Human Services
PIHP: Pre-Paid Inpatient Health Plan

Other Related Materials:
MSHN Corporate Compliance Program
MSHN Operating Agreement
Board By-Laws
SUD Intergovernmental Agreement

References/Legal Authority:
MSHN Operating Agreement
MSHN Board Bylaws
MDHHS-PIHP Contract section 29.0 Ethical Conduct; 30.0 Conflict of Interest

Change Log:

Date of Change	Description of Change	Responsible Party
01.06.2015	New	Chief Executive Officer
11.2015	Annual Review	Chief Executive Officer
03.2017	Annual Review	Chief Executive Officer

POLICIES AND PROCEDURE MANUAL

Chapter:	General Management		
Title:	Care Coordination		
Policy: ☒ Procedure: ☐ Version: 1.0 Page: 1 of 2	Review Cycle: Annually Author: Deputy Director	Adopted Date: 07.05.2016 Review Date: 05.02.2017 Revision Eff. Date:	Related Policies:

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

To ensure Mid-State Health Network (MSHN) maintains compliance with the care coordination requirements as defined per the contract with the Michigan Department of Health and Human Services (MDHHS).

Policy

It is the policy of Mid-State Health Network, (MSHN) as a Prepaid Inpatient Health Plan (PIHP) responsible for services to individuals enrolled in Medicaid, to coordinate care provided to individuals with the Medicaid Health Plan (MHP) also managing services for those individuals. It is further the policy of MSHN to work cooperatively with other MHP/PIHPs to jointly identify priority need populations for purposes of care coordination. In support of this policy, MSHN shall work to secure appropriate consents, share necessary electronic data, and conduct routine care coordination activities necessary to fulfill this policy.

In furtherance of this policy, we will:

A. At least monthly, identify which members are assigned to a MHP and have sought services through the PIHP
B. Receive information from electronic sources
C. Participate in MiHIN

Applies to

☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN's Affiliates: ☒Policy Only ☐Policy and Procedure
☐Other: Sub-contract Providers

Definitions

MDHHS: Michigan Department of Health and Human Services
MHP: Medicaid Health Plan
MiHIN: Michigan Health Information Network
MSHN: Mid-State Health Network
PIHP: Prepaid Inpatient Health Plan

Related Materials

References/Legal Authority

Change Log:

Date of Change	Description of Change	Responsible Party
05.05.2016	New Policy	Deputy Director
01.31.2017	Annual Review	Deputy Director

POLICIES AND PROCEDURES MANUAL

Chapter:	General Management		
Title:	Conflict of Interest Policy		
Policy: ☒ **Procedure:** ☐ **Version:** 4.0 **Page:** 1 of 6	**Review Cycle:** Annually **Author: Chief Executive Officer,** Legal Counsel	**Adopted Date: 07.29.2013** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** General Management Board Member Conduct

Purpose

The objective of this policy (the "Policy") is to provide an effective oversight process to protect the interests of Mid-State Health Network ("MSHN") when contemplating a transaction, arrangement, proceeding or other matter that might benefit the private interest of an individual or another entity. The policy accomplishes this objective by defining Conflict of Interest, identifying individuals subject to this Policy, facilitating the disclosure of actual and potential Conflicts of Interest and Financial Interests and setting forth procedures to manage Conflicts of Interest. This policy is intended to supplement, but not replace, any applicable state or federal laws governing conflicts of interests in governmental entities or charitable, tax exempt, nonprofit organizations.

Policy

It shall be the policy of MSHN to provide a means for any Covered Person to identify and report to the MSHN's Board any direct or indirect Financial Interest and any actual or potential Conflict of Interest and, based on that information, to permit the Board to review such Financial Interests and Conflicts of Interest and provide a process for the Board to follow when managing Conflicts of Interest, all in accordance with applicable law.

A "Covered Person" subject to this Policy includes: Members of the MSHN Board including their participation in committees of the Board which are delegated authority by the Board, the Substance Use Disorder Regional Oversight Policy Board (SUD-OPB), and MSHN Officers, employees or agents.

Duties of Covered Persons

Duty of Care: Every Covered Person shall act in a reasonable and informed manner and perform his or her duties for MSHN in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.

Duty of Loyalty: Every Covered Person owes a duty of loyalty to act at all times in the best interest of MSHN and not in the interest of the Covered Person or any other entity or person. No Covered Person may personally take advantage of a business opportunity that is offered to MSHN unless the Board of Directors determines not to pursue that opportunity, after full disclosure and a disinterested and informed evaluation.

Conflicts of Interest: No Covered Person may engage in any transaction, arrangement, proceeding or other matter or undertake positions with other organizations that involve a Conflict of Interest, except in compliance with this policy. Covered Persons should avoid not only actual but the appearance of conflicts of interest as well. Every Covered Person shall:

A. Disclose all Financial Interests as set out below;
B. Unless a Conflict of Interest Waiver has been granted, recuse himself/herself from voting on any transaction, arrangement, proceeding or other matter in which he/she has a Financial Interest, and not be present when any such vote is taken; and

C. Comply with any restrictions or conditions stated in any Conflict of Interest Waiver granted for the Covered Person's activities.

Duty to Disclose: Each Covered Person has a duty to disclose to the Board the existence of a Financial Interest and all related material facts.

Disclosure of Financial Interests: Each Covered Person shall submit in writing to the Entity's Chief Executive Officer an Annual Disclosure of Ownership, Controlling Interest, and Criminal Conviction Statement (Attachment A) listing all Financial Interests and affirming compliance with the Conflict of Interest Policy. Each Covered Person shall update his/her Annual Disclosure of Ownership, Controlling Interest, and Criminal Conviction Statement each year on the date designated by the Board for updating, and promptly when any new Financial Interests or potential Conflicts of Interest arise. The Chairperson of the Board shall review and become familiar with all submitted Disclosure of Ownership, Controlling Interest, and Criminal Conviction Statements and updates in order to guide his/her conduct regarding the disclosed information. The Vice Chairperson of the Board shall review and become familiar with the Disclosure of Ownership, Controlling Interest, and Criminal Conviction Statement submitted by the Chairperson of the Board.

The Board of Directors may request that a Covered Person(s) appear before the Board or submit written information to supplement or to answer questions regarding information disclosed on the Annual Disclosure of Ownership, Controlling Interest, and Criminal Conviction Statement.

Addressing Financial Interests and Conflicts of Interest:

A. Board Deliberation. After disclosing the Financial Interest, together with any additional oral or written presentation of material or discussion requested by the Board, the interested person shall leave the Board meeting while the Board discusses the information and votes regarding how to manage the Conflict of Interest and whether or not to grant a waiver. The interested person shall not take part in the Board's due diligence deliberations.
B. Appointment of Disinterested person. If the Board determines it is advisable, the Board may appoint a disinterested person to conduct further investigation regarding the reported Financial Interest and Conflict of Interest and make a report back to the Board.
C. Board Vote. The Board, after exercising due diligence regarding the reported Financial Interest and Conflict of Interest, shall, by vote, make a determination as to whether or not the Entity can obtain a more advantageous transaction, arrangement, proceeding or other matter with reasonable efforts from another person or entity that would not involve the interested person, and the Financial Interest is so substantial as to be likely to affect the integrity of the services which the Entity may expect from the interested person. The interested person shall not take part in the Board's due diligence deliberations or any vote on how to manage the Conflict of Interest and whether or not to grant a waiver.
D. Notice to Interested Person. If the Board determines, by majority vote of disinterested members, that it may, with reasonable efforts, obtain a more advantageous transaction, arrangement, proceeding or other matter from another person or entity not involving the Interested person, it shall notify the interested person and may pursue such other transactions, arrangements, proceedings or other matters or restrict the interested person's participation in the matter, as the Board determines appropriate.
E. Granting a Conflict of Interest Waiver. If the Board determines that it is not able, with reasonable efforts, to obtain a more advantageous transaction, arrangement, proceeding or other matter from another person or entity not involving the Interested person, and that the Financial Interest is not so substantial as to be likely to affect the integrity of the services which the Entity may expect from the Interested person, the Board may vote to waive the potential Conflict of Interest and proceed with the proposed transaction, arrangement, proceeding or other matter and the Interested person's participation in the matter. A Conflict of Interest Waiver shall be made in writing and signed by the Chairperson of the Board on the Entity's Conflict of Interest Waiver form (Attachment B). The Conflict of Interest Waiver may restrict the interested person's participation in the matter

to the extent deemed necessary by the Board. Further, the Conflict of Interest waiver may cover all matters the interested person may undertake as part of his/her official duties with the Entity, without specifically enumerating such duties. All Conflict of Interest Waivers shall be issued prior to the Interested person's participation in any transaction, arrangement, proceeding or other matter on behalf of the Entity.

F. Factors for Consideration When Granting a Waiver. In making a determination as to whether a Financial Interest is substantial enough to be likely to affect the integrity of the interested person's services to the Entity, the Board shall consider, as applicable:
   i. The type of interest that is creating the disqualification (e.g. stock, bonds, real estate, cash payment, job offer or enhancement of a spouse's employment);
   ii. The identity of the person whose Financial Interest is involved, and if the interest does not belong directly to the Interested person, the Interested person's relationship to that person;
   iii. The dollar value of the disqualifying Financial Interest, if known and quantifiable (e.g., amount of cash payment, salary of job to be gained or lost, change in value of securities);
   iv. The value of the financial instrument or holding from which the disqualifying Financial Interest arises and its value in relationship to the individual's assets;
   v. The nature and importance of the interested person's role in the matter, including the level of discretion which the interested person may exercise in the matter;
   vi. The sensitivity of the matter;
   vii. The need for the Interested person's services; and
   viii. Adjustments which may be made in the interested person's duties that would eliminate the likelihood that the integrity of the interested person's services would be questioned by a reasonable person.

G. Waivers Supported by Michigan Law. Michigan law specifically provides support for granting a waiver of a Conflict of Interest arising under the following Conflict of Interest exception scenarios:
   i. A community mental health services program ("CMHSP") Board member may be a party to a contract with a CMHSP or administer or financially benefit from that contract, if the contract is between the CMHSP and the Entity;
   ii. A CMHSP Board member may also be a member of the Entity Board, even if the Entity has a contract with the CMHSP;
   iii. A CMHSP Board may approve a contract with the Entity, if a CMHSP Board member is also an employee or independent contractor of the Entity; and
   iv. CMHSP public officers (e.g., Board members, officers, executives and employees) may also be Board members, officers, executives and employees of the Entity, even if the Entity contracts with the CMHSP, subject to any prohibition imposed by the Michigan Department of Health and Human Services (MDHHS) in that regard.

H. Reporting to the State. MSHN will promptly notify the Division of Program Development, Consultation and Contracts, Behavioral Health and Developmental Disabilities Administration (BHDDA) in MDHHS if:
   i. Any disclosures are made by providers with regard to the ownership or control by a person that has been convicted of a criminal offense described under sections 1128(a) and Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program 29 1128(b)(1), (2), or (3) of the Act, or that have had civil money penalties or assessments imposed under section 1128A of the Act. (See 42 CFR 1001.1001 (a)(1): or
   ii. Any staff member, director, or manager of the PIHP, individual with beneficial ownership of five percent or more, or an individual with an employment, consulting, or other arrangement with the PIHP has been convicted of a criminal offense described under sections 1128(a) and 1128(b)(1), (2), or (3) of the Act, or that have had civil money penalties or assessments imposed under section 1128A of the Act. (See 42 CFR 1001.1001(a)(1))

Policy Enforcement

A. If the Board has reasonable cause to believe that a Covered Person has failed to disclose actual or potential Financial Interests or Conflicts of Interest, the Board shall inform the involved Covered Person of the basis for such belief, and afford the Covered Person an opportunity to explain the alleged failure to disclose.
B. If, after hearing the Covered Person's response and after making such further investigation as may be required, the Board determines that the Covered Person has in fact failed to disclose an actual or potential Financial Interest or Conflict of Interest, the Board shall take appropriate corrective action.

Records of Proceedings

The minutes of the Board and all committees with Board-delegated powers shall contain:

A. The names of Covered Persons who disclosed or otherwise were found to have a Financial Interest, the nature of the Financial Interest, any due diligence investigation of the Financial Interest and potential Conflict of Interest, and the Board's decision with regard to the matter. If a written waiver of a Conflict of Interest is granted, a copy of the written waiver shall be attached to the minutes of the meeting at which it was granted.
B. The names of all persons who were present for discussion and votes related to the transaction or arrangement involved in the Financial Interest, a summary of the content of the discussion, including any alternatives proposed to the transaction or arrangement, and a record of any vote taken in connection with the matter.
C. If the Board grants a waiver of a Conflict of Interest, the waiver shall be in writing and shall be signed by the Chairperson of the Board, and shall describe the Financial Interest, the proceeding, transaction or matter to which the Financial Interest applies, the Interested person's role in the proceeding, transaction or matter, and any restriction on the Interested person's participation in the proceeding, transaction or matter.

Compensation Committees

A. A voting member of the Board or any Board committee whose scope of authority includes compensation matters and who receives compensation, directly or indirectly, from MSHN, is precluded from voting on matters pertaining to his/her own compensation from MSHN.
B. No voting member of the Board or any Board committee whose scope of authority includes compensation matters and who receives compensation, directly or indirectly, from MSHN, is prohibited, individually or as part of a group, from providing information to the Board or any committee regarding compensation.

Annual MSHN Board of Directors Disclosure of Ownership, Controlling Interest, and Criminal Convictions

Annually, on a date to be determined by the Board, each Covered Person shall complete, sign and date a MSHN Board of Directors Disclosure of Ownership, Controlling Interest, and Criminal Convictions (see Attachment A). The Disclosure Statement affirms that the signor:

1. Has received a copy of this Policy;
2. Has read, understands, and agrees to comply with this Policy and the requirements of 42 CFR 455 Subpart B;
3. Has disclosed necessary information identified in 42 CFR 455 Subpart B;
4. Will update the information on the Disclosure of Ownership, Controlling Interest, and Criminal Convictions, should information change, by completing a new disclosure statement;
5. Understands that MSHN is required to notify the MDHHS BHDDA Division of Program Development, Consultation and Contracts when any disclosures are made with regard to criminal offense described under sections 1128(a) and 1128(b)(1)(2), or (3) of the Social Security Act.

Covered persons may submit a current copy of an equivalent disclosure statement previously completed for a CMHSP, provided the disclosure statement complies with the requirements of 42 CFR 455 Subpart B and the information disclosed remains accurate at the time of receipt by MSHN.

Applies to:

☐All Mid-State Health Network Staff
☒ MSHN Board Members and SUD OPB Members
☐Selected MSHN Staff, as follows:
☐MSHN's Affiliates: ☐ Policy Only ☐ Policy and Procedure
☐Other: Sub-contract Providers

Definitions:

BHDDA: Behavioral Health and Developmental Disabilities Administration
CMHSP: Community Mental Health Service Program.
Compensation: Compensation includes direct and indirect remuneration, in cash or in kind.
Conflict of Interest: A Conflict of Interest arises when a Covered Person participates or proposes to participate in a transaction, arrangement, proceeding or other matter for the Entity.in which the covered person has a financial interest.
Covered Person: A person subject to the terms of this policy including MSHN Board members, Board Committee members, SUD-OPB members, Officers, Executives and staff.
Family Member: Spouse, parent, children (natural or adopted), sibling (whole or half-blood), father-in-law, mother-in-law, grandchildren, great grandchildren and spouses of siblings, children, grandchildren, great grandchildren, and all step family members, and any person(s) sharing the same living quarters in an intimate, personal relationship that could affect decisions of the Covered Person in a manner that conflicts with this Policy.
Financial Interest: A Covered Person has a Financial Interest if he or she has, directly or indirectly, actually or potentially, through a business, investment or through a Family Member:

(a) an actual or potential ownership, control or investment interest in, or serves in a governance or management capacity for, an entity with which the Entity has a transaction, arrangement, proceeding or other matter;
(b) an actual or potential compensation arrangement with any entity or individual with which the Entity has a transaction, arrangement, proceeding or other matter;
(c) or an actual or potential ownership or investment interest in, compensation arrangement with, or serves in a governance or management capacity for, any entity or individual with which the Entity is contemplating or negotiating a transaction, arrangement, proceeding or other matter.

Interested Person: is a Covered Person who has a Financial Interest.
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
SUD: Substance Use Disorder
SUD-OPB: Substance Use Disorder Regional Oversight Policy Board responsible for planning, approval and monitoring of the region's use of Public Act 2 (PA2) (Liquor Tax) money, which is restricted to use in the County of fund origin and to be used expressly for SUD treatment and Prevention.

Reference/Legal Authority:

The Policy is based on the following legal authorities:

- Mental Health Code, 1974 PA 258, MCL 300.1001 to 300.2106
- 1978 PA 566, MCL 15.181 to 15.185 (incompatible public offices)
- 1968 PA 317, MCL 15.321 to 15.330 (contracts of public servants with public entities)
- 45 CFR Part 74 (Federal Procurement Regulations)
- 45 CFR Part 92 (Federal Procurement Regulations)

- 42 USC 1396a (Federal Medicaid Statute)
- Michigan Medicaid State Plan
- 18 USC 208 (Federal Conflict of Interest Statute)
- IRS Conflict of Interest Guidelines, Policies and Pronouncements for Charitable Tax Exempt Nonprofit Entities
- 42 CFR 455 Subpart B
- Section 1902 (a)(4)(C) and (D) of the Social Security Act: 41 U.S.C. Chapter 21 (formerly Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. §423): 18 U.S.C. §207: 18 U.S.C. §208: 42 CFR §438.58: 45 CFR Part 92: 45 CFR Part 74: 1978 PA 566: and MCL 330.1222.

Change Log:

Date of Change	Description of Change	Responsible Party
07.23.2013	New Policy	Legal Counsel
10.02.2014	Annual review, Format Update	Chief Executive Officer, Legal Counsel
07.2015	Add legal reference from the SSA as indicated in the MDHHS-PIHP Contract; expanded scope to SUD-OPB, added related definitions; Updated to MDHHs	Chief Executive Officer
03.16.2016	Annual Review	Chief Executive Officer
01.30.2017	Annual Review	Chief Executive Officer

POLICIES AND PROCEDURES MANUAL

Chapter:	General Management		
Title:	**Consent Agenda**		
Policy: ☒ **Procedure:** ☐ **Version:** 2.0 **Page:** 1 of 2	**Review Cycle:** Annually **Author:** Board Executive Committee & Chief Executive Officer	**Adopted Date: 1.06.2015** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** General Management

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

Mid-State Health Network's (MSHN) Board uses a consent agenda to expedite the conduct of routine business during Board meetings in order to allocate more meeting time to education and discussion of substantive and strategic issues.

Policy

A. The MSHN Board shall adopt and carry out consistent standards for what can be included in a consent agenda and how the consent agenda shall be administered including:
   - The consent agenda shall consist of routine financial, legal, administrative matters and matters of meeting order (agenda, minutes, etc.) that require board action.
   - Consent agenda items are expected to be non-controversial and not requiring of discussion.
   - Motions, resolutions and all supporting materials for the consent agenda shall be sent to Board members with the routine dissemination of Board meeting materials in advance of the meeting.
   - The consent agenda shall be considered early in a board meeting. The Chair will ask if any member wishes to remove an item from the consent agenda for separate consideration, and if so, the Chair will schedule it for later in the meeting.

B. The following items are consider suitable for the MSHN Board consent agenda:
   - Approval of the meeting agenda
   - Approval of minutes
   - Approval of signatories for bank accounts
   - Approval of staff positions which have been included in the MSHN approved budget
   - Policies requiring annual review that have been approved by the Policy Committee
   - Approval of MDHHS – PIHP Contracts that have been vetted by the MSHN Chief Executive Officer and the Operations Council

C. The following items are not consider suitable for the MSHN Board consent agenda:
   - Approval of the annual update of the strategic plan
   - Approval of the annual budget
   - Approval of capital expenditures exceeding $24,999
   - New Board policies

D. The Board will assess the use of consent agenda by means of a question on its annual Board self-assessment.

Applies to:
☐All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN Board of Directors; Advisory Councils and Boards
☐MSHN's CMHSP Participants: ☐ Policy Only ☐ Policy and Procedure
☐Other: Sub-contract Providers

Definitions:
CEO: Chief Executive Officer
CMHSP: Community Mental Health Service Program
Consent Agenda: A consent agenda groups the routine, procedural, informational and self-explanatory non-controversial items typically found in an agenda. These items are then presented to the board in a single motion for an up or down vote after allowing anyone to request that a specific item be moved to the full agenda for individual attention. Other items, particularly those requiring strategic thought, decision making or action, are handled as usual.
MSHN: Mid-State Health Network
PIHP: Pre-paid Inpatient Health Plan

Other Related Materials:
N/A

References/Legal Authority:
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
01.06.2015	New policy	Chief Executive Officer
11.2015	Annual Review	Chief Executive Officer
03.2017	Annual Review	Chief Executive Officer

POLICIES AND PROCEDURE MANUAL

Chapter:	General Management		
Title:	Delegation to the Chief Executive Officer and Executive Limitations		
Policy: ☒ **Procedure:** ☐ **Version:** 1.0 **Page:** 1 0f 2	**Review Cycle:** Annually **Author:** Chief Executive Officer	**Adopted Date:** 07.02.2014 **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** General Management Board Governance

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

All Mid-State Health Network (MSHN) Board authority delegated to staff is delegated to the Chief Executive Officer (CEO). The CEO shall execute the delegated authority of the Board within defined executive limitations.

Policy

1) Delegation of Authority: The Board shall direct the CEO to achieve certain results through the establishment of Board policies and strategic priorities. The Board will limit the latitude the CEO may exercise in practices, methods, conduct and other "means" through establishment of executive limitations.

   As long as the CEO uses reasonable interpretation of the Board's policies and executive limitations, the CEO is authorized to establish necessary procedures, make decisions, and take actions deemed necessary to achieve MSHN goals and compliance.

   Only decisions of the Board, acting as a body are binding upon the CEO. Decisions or instructions of individual Board members, officers or committees are not binding on the CEO except in instances when the Board has specifically authorized such exercise of authority.

2) Executive Limitations: The CEO shall not cause or allow any practice, activity, decision or circumstance that is illegal, imprudent, or inconsistent with Board approved policy or is in violation of commonly accepted business and professional ethics. Accordingly, the CEO may not:
   A. Deal with consumers, families, employees, contractors, Board members or persons from the community in an unprofessional or unethical manner.
   B. Permit financial conditions that risk fiscal jeopardy or compromise Board policy and/or strategic priorities.
   C. Knowingly provide information and advice to the Board that is untimely, incomplete or inaccurate.
   D. Permit conflict of interest in making purchases, awarding contracts, or hiring of employees.
   E. Approve and/or initiate expenditure of MSHN funds that differs from Board approved procurement policies; the CEO shall not exceed a spending limit of $24,999 without prior Board approval.
   F. Manage MSHN without adequate administrative procedures for matters involving finances, internal controls, employees, contractors, facilities, and other required operations of the organization.

Applies To:

☐All Mid-State Health Network Staff
☒Mid-State Health Network Board
☒Selected MSHN Staff, as follows: MSHN CEO
☐MSHN's Affiliates: ☐ Policy Only ☐ Policy and Procedure
☐Other: Sub-contract Providers

Definitions:
MSHN: Mid-State Health Network
MSHN CEO: Mid State Health Network Chief Executive Officer

Other Related Materials
MSHN Board By-Laws
MSHN Operating Agreement

References/Legal Authority
NA

Change Log:

Date of Change	Description of Change	Responsible Party
04.11.2014	New Policy	Chief Executive Officer
05.05.2015	Annual Review No Changes	Board of Directors
05.03.2016	Annual Review	Board of Directors
03.2017	Annual Review	Board of Directors

POLICIES AND PROCEDURE MANUAL

Chapter:	**General Management**		
Title:	**Freedom of Information Act (FOIA) Request Policy**		
Policy: ☒ **Procedure:** ☐ **Version: 1.0** **Page: 1 of 2**	**Review Cycle: Annually** **Author:** Executive Assistant	**Adopted Date: 01.05.2016** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:**

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

It is the policy of Mid-State Health Network (MSHN) that all persons, except those incarcerated, consistent with the Michigan Freedom of Information Act (FOIA), are entitled to full and complete information regarding the affairs of government and official acts of those who represent them as public officials and employees. The people shall be informed so they fully participate in the democratic process.

Policy

MSHN's policy with respect to FOIA request is to comply with State law in all respects, and to respond to FOIA requests in a consistent, fair, and even-handed manner regardless of who makes such a request.

MSHN acknowledges its legal obligation to disclose all nonexempt public records in its possession pursuant to a FOIA request. MSHN acknowledges that sometimes it is necessary to invoke the exemptions identified under FOIA in order to ensure effective operation of government and to protect the privacy of individuals.

MSHN will protect the public's interest in disclosure, while balancing the requirement to withhold or redact portions of certain records.

MSHN has established written procedures and guidelines to implement the FOIA and will create a written public summary of the specific procedures and guidelines relevant to the general public regarding how to submit written requests to MSHN, explaining how to understand MSHN's written responses, deposit requirements, fee calculations, and an avenue for challenges and appeals. The public summary will be written in a manner so as to be easily understood by the general public.

Applies to:

☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN's CMHPS Participants: ☐Policy Only ☒Policy and Procedure
☐Other: Sub-contract Providers

Definitions:

CMHSP: Community Mental Health Service Program
FOIA: Freedom of Information Act
MSHN: Mid-State Health Network
Public Record: A record required by law to be made and kept

Other Related Materials:

Request for Public Records Form
FOIA Procedure

References/Legal Authority:
Freedom of Information Act: **Act 442 of 1976**

Change Log:

Date of Change	Description of Change	Responsible Party
08.17.2015	New Policy	Executive Assistant
03.2017	Annual Review	Executive Assistant

Chapter:	General Management		
Title:	**General Management**		
Policy: ☒ **Procedure:** ☐ **Version:** 3.0 **Page:** 1 of 2	**Review Cycle:** Annually **Author:** Operations Council	**Adopted Date:** 11.22.2013 **Review Date:** 05.02.2017 **Revision Eff. Date:** 11.03.2015	**Related Policies:** Policy & Procedure Development and Approval

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

To ensure that Mid-State Health Network (MSHN) develops, reviews, revises, adopts and disseminates MSHN policies, standards, and procedures to its provider network.

Policy

The policies of MSHN shall govern the overall ethical and business practices of its provider network for services purchased from the Community Mental Health Service Programs (CMHSPs) Participants and Substance Use Disorder (SUD) Providers.

A. MHSN shall develop and adopt common policies and standards for managing its network.

B. MSHN shall ensure provider and other stakeholder input in the creation and review of policies prior to adoption.

C. MHSN policies and standards shall:
   1. Support the mission, vision, and values of MSHN
   2. Set monitoring guidelines for clinical and business practices
   3. Clearly reflect regulatory and contractual requirements and standards necessary for compliance
   4. Address issues that require uniformity and commonality in practices across the provider network
   5. Promote administrative efficiency and economy of practice
   6. Indicate applicability to provider or staff type

D. CMHSP Participants/SUD Providers within MSHN may establish local network policy implementation procedures consistent with MSHN policy.

E. MSHN shall utilize its Council/Committee structure for policy development and review.

F. MSHN shall ensure that policies are reviewed at least annually and revised as needed to reflect current standards and regulatory requirements.

Applies to:

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's Affiliates: ☒ Policy Only ☐ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:
CEO: Chief Executive Officer
CMHSPs: Community Mental Health Service Programs
MSHN: Mid-State Health Network
SUD: Substance Use Disorder

Other Related Materials:
MSHN Operating Agreement
Board Bylaws

References/Legal Authority:
NA

Change Log:

Date of Change	Description of Change	Responsible Party
11.22.2013	New Policy	Chief Compliance Officer
11.2014	Annual Review	Chief Executive Officer
11.2015	Remove reference to Coordinating Agencies and annual policy review	Chief Executive Officer
03.2017	Annual Review	Chief Executive Officer

POLICIES AND PROCEDURE MANUAL

Chapter:	General Management		
Title:	Monitoring Chief Executive Officer Performance		
Policy: ☒ **Procedure:** ☐ **Version:** 1.0 **Page:** 1 of 2	**Review Cycle:** Annually **Author:** Chief Executive Officer	**Adopted Date: 07.02.2014** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** General Management Board Governance Executive Limitations

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

Monitoring executive performance is synonymous with monitoring organizational performance against Board policies, strategic priorities and executive limitations. This policy sets forth the expectation for annual Board evaluation of the Chief Executive Officer (CEO) of the organization.

Policy

The Mid-State Health Network (MSHN) Board shall monitor CEO performance annually.
Annual evaluation of CEO performance shall include review and consideration of but not limited to:

A. INTERNAL REPORTS: Disclosure of compliance and performance information to the Board from the CEO including:
   - Financial reports,
   - Strategic planning reports,
   - Compliance reports,
   - Annual review of the Quality Assurance and Performance Improvement Program,
   - CEO routine updates and communications,
   - Other organizational performance metrics and reports as required by the Board

B. EXTERNAL REPORTS: Disclosure of compliance and performance information by external auditors, reviewers or other persons or entities external to the institution including:
   - Fiscal audit reports,
   - Results of Michigan Department of Community Health site reviews,
   - Results of third party external quality review,
   - Reports from independent legal counsel as required by the Board.

Applies to:

☐All Mid-State Health Network Staff
☒Mid-State Health Network Board
☒Selected MSHN Staff, as follows: MSHN CEO
☐MSHN's Affiliates: ☐ Policy Only ☐ Policy and Procedure
☐Other: Sub-contract Providers

Definitions:

MSHN: Mid-State Health Network
MSHN CEO: Mid-State Health Network Chief Executive Officer

Other Related Materials:

CEO Annual Performance Review Tool

References/Legal Authority:
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
04.11.2014	New policy	Chief Executive Officer, Board Executive Committee
05.05.2015	Annual Review No Changes	Board of Directors
05.03.2016	Annual Review	Board of Directors
03.2017	Annual Review	Board of Directors

Chapter:	General Management		
Title:	Office Closure Policy		
Policy: ☒ Procedure: ☐ Version: 1.0 Page: 1 of 2	Review Cycle: Annual Author: Deputy Director	Adopted Date: 07.05.2016 Review Date: 05.02.2017 Revision Eff. Date:	Related Policies:

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

The purpose of this policy is to establish general guidelines for personnel in the event that operations may be reduced, suspended or closed due to natural disasters, weather conditions, facility damage or other emergency conditions that prevent normal operations.

Policy

The decision to reduce, suspend, or close all or part of Mid-State Health Network's (MSHN) office for reasons of natural disaster, weather, building conditions, disruptive actions or health risks will be made by the Chief Executive Officer (CEO); in the absence of the CEO, the Deputy Director, Chief Information Officer, or Chief Financial Officer will act as his/her designee.

In cases of complete or near complete closure or shutdown, company email and/or local news media will be used under normal circumstances for notification purposes.

- If Ingham County offices are closed due to weather emergency, then MSHN offices will close as well.
- When the county building in the county in which the employee is located is closed due to weather, the employee is excused from work as if MSHN were closed and time is accounted for accordingly (Administrative Leave).
- If MSHN is closed, no matter if the County Building where the employee lives is affected, the employee is excused and time is accounted for accordingly (Administrative Leave).
- If an employee opts not to travel, but the County Building where the employee lives is open and MSHN is open, time is charged to Paid Time Off (PTO).
- If only selective operations are involved, or if the situation develops after the beginning of the 8:00a.m. workday, each affected department will be notified. The lack of specific notification to the contrary should be interpreted to mean that normal operations are to be maintained.

It is recognized that certain conditions may cause problems for some employees in arriving to or leaving the office. In such circumstances, this policy should be observed as outlined. Specific cases and varying conditions or circumstances may require special action or decision by supervisors. However, some basic policy statements regarding suspension, reduction, or closure decisions are presented herein.

Notification of Type of Closure and Duration of Closure:

Begins at the time of the CEO's (or her/his designee's) announcement and ends when announced or at the start of the next day. All employee work schedules within the period of the closure, would qualify for the Administrative Leave pay designation. Closure will be announced via local news media, (if Ingham County Offices are closed) MSHN email, and group text.

Meetings, operations and events will be canceled and offices closed at the time of the official notification. Employees shall notify individuals of cancelations with whom they have appointments.

Staff and visitors will be advised as to any needed precautions prior to being dismissed or sent home.

Pay Status for Reduced/Suspended Operation of MSHN:
Prior to official closure/reduction/suspension of operations, employees unable to report for work may utilize PTO for any period prior to the official time of the announced closure/reduction/suspension of operations. Employees required to remain off work due to the prolonged closure of MSHN will be paid for said time and categorized as Administrative Leave.

Any employee who, prior to the announcement of closure, who has reported in as sick, scheduled to be on PTO, or decided to leave work early or did not come to work due to weather or other emergency related reasons will be paid as though there were no closure and therefore will be categorized as PTO. If the employee does not have a sufficient accrued PTO balance, then leave without pay will be processed.

Notification Procedures:
In the absence of notification to the contrary, all normal operations will continue as scheduled. If there is any doubt as to whether the MSHN will be in operation, employees should tune in to WILX TV 10 Lansing, check with their supervisor and check MSHN email notifications.

Applies to

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☐ MSHN's Affiliates: ☐ Policy Only ☐ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:
Administrative Leave: Temporary leave from a job assignment, with pay and benefits intact
CEO: Chief Executive Officer
General Closure: All activities and events and meetings canceled and all offices closed
MSHN: Mid-State Health Network
PTO: Paid time off
Specific Closure: Specific activities and events canceled and offices closed as announced

Other Related Materials
N/A

References/Legal Authority
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
04.2016	New Policy	Deputy Director
03.2017	Annual Review	Deputy Director

POLICIES AND PROCEDURE MANUAL

Chapter:	General Management		
Title:	Person/Family Centered Plan of Service		
Policy: ☒ **Procedure:** ☐ **Version:** 1.0 **Page:** 1 of 3	**Review Cycle:** Annually **Author:** Clinical Leadership Committee/Chief Clinical Officer	**Adopted Date: 01.05.2016** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** Service Philosophy

Purpose

To ensure that Mid-State Health Network (MSHN) and its CMHSP Participants have a consistent service philosophy across its network of care related to Person/Family Centered Planning. MSHN promotes a Person/Family Centered approach to the development of the individual plan of service and the delivery of supports and services in accordance with established state and federal regulations (reference Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program attachment P4.4.1.1).

Policy

The policy is intended to outline the required elements of Person/Family Centered Planning as required by the MSHN:

A. A preliminary plan of service is developed within seven (7) days of the commencement of services that will include a treatment plan, a support plan, or both.

B. Consumers are given information as needed on the array of mental health services, community resources and available providers.

C. Ensure that for each Person/Family Centered Plan, a pre-planning meeting is completed that includes addressing the following information: (not required for those who receive short term outpatient therapy only, medication only, or those who are incarcerated)

1. Who to invite
2. Where and when to have the meeting
3. What will be discussed, and not discussed, at the meeting
4. Any accommodations the consumer may need to meaningfully participate
5. Who will facilitate the meeting
6. Who will record what is discussed at the meeting
7. The pre-planning meeting is to be completed with sufficient time to take all necessary/ preferred actions.

D. Provide information/education on what an Independent or External Facilitator is and how to request the use of one. Not required for consumers receiving short term outpatient therapy or medication only. Consumers must have a choice of at least two facilitators.

E. Each plan is individualized to meet the consumer's medically necessary identified needs and includes:

1. A description of the consumer's strengths, abilities, goals, plans, preferences and natural supports.
2. Outcomes identified by the consumer and the steps to achieve the outcomes.
3. Services and supports needed to achieve the outcomes (including community resources and other publicly funded programs such as Home Help).
4. Amount, scope and duration of medically necessary services and supports authorized by and obtained through the CMHSP.
5. Estimated/prospective cost of services and supports authorized by the community mental health system.
6. Roles and responsibilities of the consumer, the CMHSP staff, allies, and providers in implementing the plan.

F. The plan of service shall be kept current and modified when needed (reflecting changes in the intensity of the consumer's needs, changes in the consumer's condition as determined through the PCP process or changes in the consumer's preferences for support). A review of the plan can be requested at any time by the consumer or his/her guardian. A formal review of the plan with the consumer and his/her guardian or authorized representative shall occur not less than annually. Reviews should work from the existing plan of service to amend or update it as circumstances, needs, preferences or goals change or to develop a completely new plan if so desired by the consumer.

G. The consumer is provided a copy of the plan within 15 business days of the conclusion of the PCP process.

H. There is a process to identify and train staff at all levels on the philosophy of PCP. Staff who are directly involved in the implementation of the PCP are provided with additional training, including direct care level staff being trained on consumer specific plans of service.

Applies to:
☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN's CMHSP Participants: ☒Policy Only ☐Policy and Procedure
☒Other: Sub-contract Providers

Definitions/Acronyms:
CMHSP: Community Mental Health Service Program
Consumer/Customer: Refers to individuals who are eligible to receive specialty mental health and substance use disorder services, as well as those currently receiving such services and their families/guardians. For the purpose of MSHN policy, these terms are used interchangeably.
Independent Facilitator: An individual chosen by the consumer to serve as the consumer's guide throughout the PCP process, assisting with pre-planning activities and co-leads any PCP meeting(s) with the consumer.
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PCP: Person-Centered Planning

References/Legal Authority:

- Michigan Department of Health and Human Services Medicaid Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program FY15, including the "Person Centered Planning Policy and Practice Guideline".
- Mental Health Code, Section 330.1700(g).

Change Log:

Date of Change	Description of Change	Responsible Party
10.2015	New policy	Chief Clinical Officer
02.2017	Annual Review	Chief Clinical Officer

Chapter:	Governance: General Management		
Title:	Policy and Procedure Development & Approval		
Policy: ☒ Procedure: ☐ Version: 1.0 Page: 1 of 3	Review Cycle: Annually Author: Chief Executive Officer	Adopted Date: 07.01.2014 Review Date: 05.02.2017 Revision Eff. Date:	Related Policies: Board Governance

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

Mid-State Health Network (MSHN) develops and maintains policies and procedures to support achievement of the organization's Mission, Vision and Values; to meet the changing needs of MSHN; to achieve compliance with applicable laws, rules, and funding requirements and; to assure responsiveness to customer/stakeholder needs.

Policies that require approval are those that, if not followed, represent a risk to MSHN. The Board has authorized the Chief Executive Officer (CEO) to recommend policies necessary to carry out the Mission of the organization and to accomplish the objectives established by the Board. Policies require Board approval and shall be reviewed annually. Policy shall be easy to understand, communicated broadly, and enforceable.

Procedures are established by MSHN staff/designees to assure effective and efficient implementation of Board approved policies and business practices. Procedures may be developed in consultation with Community Mental Health Service Programs (CMHSP) Participants as necessary.

Policy

The CEO shall manage the annual review of policy/procedure and shall provide for maintenance of an electronic policy/procedure manual. The policy/procedure approval process shall be a collaborative effort inclusive of CMHSP Participants as appropriate. Policy review shall be led by a designated author with review and input being facilitated through appropriate councils/committees. Compliance and/or legal review shall be conducted as necessary.

Policies shall be developed, maintained, organized and approved in a consistent, easily accessible format.

Policy Header:

- MSHN Approved Logo
- Policy Chapter
- Policy Title
- Policy/Procedure
- Version
- Page
- Review Cycle
- Author
- Date Adopted
- Review Date
- Revision Effective Date
- Related Policies

Policy Body:

- Purpose: The rationale for the policy
- Policy/Procedure: The governing principle and/or senior leadership expectations, plan or understanding that guides the action. It states what we do, but not how.
- Definitions: Explanation of key terms/phrases not obvious or otherwise self-explanatory.
- Other related materials: Other source documents that provide context of support the need for the policy.
- Reference(s)/Legal Authority: Provide a summary of related laws, regulations, and other institutional policies.

Footer:
Each policy shall reflect the following footer. The 'Change Log' provides a history of the policy/procedure, including evidence or regular review and rationale for related changes.

Change Log:

Date of Change	Description of Change	Responsible Party

Formatting:

- Times New Roman, 11 pt. font; bold for headings
- One inch margins on all sides
- Paragraphs are left justified (i.e. left aligned with a ragged right edge)
- Single spacing for paragraphs
- Use position titles (e.g., Chief Executive Officer/CEO) rather than names
- Acronyms should be used only after the full compound terms have been written out
- Policies submitted for approval of revisions shall be submitted in Microsoft Word, 'Track Changes' format

Policy Approval: Policies shall be established/reviewed by the responsible MSHN employee; reviewed by designated councils/committees in the MSHN organizational structure (as appropriate); and vetted by the Board's Policy Committee. Policies are not effective until formal Board action has occurred. After approval and posting to the official website, MSHN policies are in effect unless a specific date on which they become effective is noted.

Procedures: MSHN personnel shall maintain operating procedures for all important organizational processes. Procedures shall be reviewed annually and approved by CEO or designee. Procedures shall be accessible and shall be communicated to involved personnel and MSHN's provider network as part of the regular professional development/training and contract management practices. Any changes in procedures shall be consistent with and supportive of associated MSHN policy.

Applies to:
☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN's Affiliates: ☐Policy Only ☒Policy and Procedure
☒Other: Sub-contract Providers

Definitions:
MSHN CEO: Mid-State Health Network Chief Executive Officer
CMHSP: Community Mental Health Service Programs Participants

Other Related Materials
Board By-Laws

References/Legal Authority
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
04.09.2014	New Policy	Chief Executive Officer
05.2016	Annual Review	Chief Executive Officer
01.2017	Annual Review	Chief Executive Officer

MID-STATE HEALTH NETWORK
POLICIES MANUAL

Chapter:	**General Management**		
Title:	**Service Philosophy & Treatment**		
Policy: ☒ **Procedure:** ☐ **Version:** 3.0 **Page:** 1 of 6	**Review Cycle:** Annually **Author:** Clinical Leadership and Utilization Management Committee	**Adopted Date: 12.03.2013** **Review Date:** 05.02.2017 **Revision Eff. Date:** 11.03.2015	**Related Policies:** Utilization Management UM Access

Purpose

To ensure that Mid-State Health Network (MSHN) and its Community Mental Health Service Program (CMHSP) Participants have a consistent service philosophy across its network of care related to person-centered planning, integrated care, housing, employment, and self-determination. MSHN promotes a person-centered approach to all service planning and delivery of supports and services in the community, consistent with Michigan Department of Health and Human Services (MDHHS) policy direction.

Policy

A. Person-Centered/Family-Centered Planning
   1. MSHN shall be committed to ensuring that all individuals have the freedom and right to create an Individual Plan of Service that is developed through a person-centered planning process without regard to age, disability or residential setting, as required in the Michigan Mental Health Code and defined in the MDHHS Person Centered/Family-Centered Planning Policy and Practice Guideline.
   2. Standards
      i. CMHSPs Participants shall support person-centered/family-centered planning in the creation, development, and implementation of all consumer services.
      ii. MSHN shall ensure that CMHSP Participants provide comprehensive information to consumers about the risks and benefits of services including their freedom or right to participate in decision-making regarding their health, treatment options, and services that will be provided.
      iii. MSHN shall monitor the implementation of person-centered planning for adults and family-centered planning for minor children and families through an annual on-site audit of each CMHSP Participant and through consumer satisfaction surveys.

B. Integrated Care
   1. MSHN shall utilize a coordinated, person-centered/family-centered system of care that allows for comprehensive care from primary care, mental health and substance use disorder providers.
   2. MSHN shall make available to its consumers a coordinated approach to service delivery, which is an essential element of treatment and supports, and produces the best outcomes for people with multiple and complex healthcare needs.
   3. Standards
      i. Coordination shall include health care providers who shall work collaboratively to improve functioning and promote recovery and resiliency.
         - The MSHN provider network will implement practices to encourage all consumers eligible for specialty mental health services to receive a physical health assessment including identification of the primary health care home/provider, medication history, identification of current and past physical health care and referrals for appropriate services. The physical health assessment will be coordinated through the consumer's Medicaid Health Plan.

- The MSHN provider network will ensure that a basic health care screening, including height, weight, blood pressure, and blood glucose levels is performed on individuals who have not visited a primary care physician, even after encouragement, for more than 12 months. Health conditions identified through screening should be brought to the attention of the individual along with information about the need for intervention and how to obtain it.

ii. Consideration shall be given to system-wide, cost-effective interventions and supports that produce the highest level of outcomes.

iii. MSHN shall have written agreements with the Medicaid Health Plans in the service area.

iv. Interagency agreements shall meet the requirements in 42 CFR Part 2.

v. Outcomes that represent improvements in significant aspects of clinical services and supports will be shared among health care providers to assist in identifying over and underutilization and patterns of service delivery.

vi. Health information exchange shall be supported through the use of technology to assure timely and accurate access to pertinent clinical information consistent with related rules and regulations for protected health information and confidentiality.

- As authorized by the consumer, MSHN provider network members will include the results of any physical health care findings that relate to the delivery of specialty mental health services and supports in the person-centered plan.
- Information sharing across the provider network will focus on essential aspects of the provision of health care and will assist with population health management as well as the coordination of individual care in accordance with requirements for confidentiality and protection of health information.

C. Collaboration with Community Agencies

MSHN through its CMHSP provider network must work closely with local public and private community-based organizations and providers to address prevalent human conditions and issues that relate to a shared customer base to provide a more holistic health care experience for the consumer. Such agencies and organizations may include local health departments, local Department of Human Service offices, Federally Qualified Health Centers (FQHC), Rural Health Centers (RHC), community and migrant health centers, nursing homes, Area Agency and Commissions on Aging, Medicaid Waiver agents for the Home Community Based Waiver (HCBW) program, school systems, and Michigan Rehabilitation Services. Local coordination and collaboration with these entities will make a wider range of essential supports and services available to the PIHP beneficiaries. PIHPs through the region's CMHSPs will coordinate with these entities through participation in multi-purpose human services collaborative bodies, and other similar community groups.

The MSHN through its CMHSP provider network shall have written coordination agreements with each of the pertinent agencies noted above describing the coordination arrangements agreed to and how disputes between the agencies will be resolved. To ensure that the services provided by these agencies are available to all PIHP eligible consumers, an individual contractor shall not require an exclusive contract as a condition of participation with the PIHP.

Agreements shall assure that coordination regarding mutual recipients is occurring between the PIHP and/or its provider network, and primary care physicians. This policy shall minimally address all recipients of PIHP services for whom services or supports are expected to be provided for extended periods of time (e.g., people receiving case management or supports coordination) and/or those receiving psychotropic medications.

D. Housing

1. MSHN's provider network shall assist consumers/guardians with decisions about the most appropriate residential option for persons with disabilities.

2. CMHSP Participants within MSHN will maintain an established plan to work with community housing partners to promote desirable housing and residential options for persons with disabilities.
3. Standards:
    i. An array of housing choices and related resources and supports shall be made available to persons served in their local communities and, whenever possible, shall allow for the individual to integrate into his/her home and community of choice.
    ii. Each CMHSP Participant shall demonstrate leadership in suggesting, developing and refining local housing options to meet consumer needs and choices in their local communities.
    iii. The residential option selected shall be based upon the needs and desires of the individual as part of the individual's person-centered plan.
    iv. Housing options shall be based on the least restrictive setting that will best meet the needs of the individual.
    v. CMHSP Participants will include cultural considerations when assisting consumers and guardians with residential options.
    vi. Consumers and guardians shall be offered comparative information about housing providers whenever available.
    vii. Housing options shall support consumers' plans and goals, and shall also promote overall wellness, health, safety, quality of life, meaningful community activities, and the highest possible level of independence, including within supervised settings.
    viii. Respect for personal privacy for consumers shall be a priority in all housing settings.
    ix. Housing settings shall be safe, habitable and affordable. Home settings of individuals served shall be monitored, by the contracting organization, on a regular basis for the purpose of consumer welfare, regardless of whether PIHP or CMHSP funds pay for the costs of the housing.
    x. CMHSP Participants shall offer mandatory and elective training on a regular basis to support housing providers and staff.
    xi. CMHSPs shall maintain collaborative agreements and communications with housing providers and resources in their communities, including participation in local planning groups or coalitions.
    xii. Each CMHSP participant shall have and make available written policies and procedures regarding housing assistance, supports, and resources for consumer and guardian decision-making, including the on-going assessment needs in consumer housing.

E. Self Determination
1. MSHN shall ensure that all individuals served through Community Mental Health Programs are given the freedom to pursue Self Determination (SD) arrangements that provide the individual the ability to guide and direct the services and supports they receive.
2. Standards
    i. A Person/Family-Centered Planning Process will be used to identify supports and services and provide information on how to participate in SD arrangements.
    ii. Participation in SD arrangements shall be voluntary and shall be made available in accordance with established MDHHS best practice guidelines and state and federal regulations.

F. Employment
1. MSHN recognizes that employment is an essential element of the quality of life for most people. CMHSP Participants shall work together to achieve consistency across the region in providing competitive integrated employment services.
2. Standards
    i. MSHN will assure that all recipients, including those who have advocates or guardians, have genuine opportunities for freedom of choice and self-representation.

ii. MSHN shall promote community inclusion and participation, independence and productivity throughout its provider network.
iii. Service providers within MSHN shall identify outcomes based on the individual's life goals, interests, strengths, abilities, desires, and preferences.
iv. Service providers within MSHN shall explore in the pre-planning meeting the person's options for work that include competitive employment, community group employment, self-employment, transitional employment, volunteering, education/training, and internships as a means to future competitive employment.
v. CMHSP Participants shall promote the use of best employment practices including the MDHHS adopted evidence-based practice Individual Placement and Support for employment goals for persons with mental illness.
vi. CMSHP Participants shall share and reinforce the MDHHS Employment Works! Policy across it service delivery network.
vii. Each CMHSP Participant shall designate a local staff member who will provide leadership in employment initiatives and services and shall designate at least one staff who has expertise in benefits planning or the capacity to access the information in a timely manner.
viii. CMHSP Participants shall share local best employment practices across MSHN.
ix. MSHN shall collect accurate employment outcome data and submit the data to MDHHS for review in a timely manner.
x. CMHSP Participants shall establish strategies and partnerships with Michigan Rehabilitation Services (MRS) and the Michigan Commission for the Blind (MCB) where indicated to improve consistency of MRS/MCB supports for consumers.

G. Transitions from Institutional Care (Behavioral Health Psychiatric Care)
1. MSHN shall promote and support a smooth and safe transition for each individual who is released from an institution into the community.
2. CMHSP Participants shall ensure that each individual will obtain placement appropriate to the individual's needs, and will have a provider that is able to provide supports and services that enable the individual to live successfully in the community.
3. When a continuing stay review has determined that an individual no longer meets the medical necessity criteria for the institutional placement, CMHSP Participants shall seek other alternatives in the community that are available to meet the individual's treatment needs. In seeking other alternatives, the CMHSP Participant shall make every effort to ensure that the following standards have been considered.
4. Standards:
i. An individualized discharge/transition plan shall be completed utilizing the person-centered planning process, incorporating the individual's strengths, needs, abilities, and preferences.
ii. The discharge/transition plan shall have input and participation from the individual, family, authorized representatives, treatment team, and other community resources or supports as applicable.
iii. The discharge/transition plan should include needed support systems and types of services that will allow for successful transition and integration into the community.
iv. The individual and/or support people shall be educated on all options available for community support services and types of services needed for a successful transition into the community.
v. The discharge/transition plan should address any barriers that may interfere with a successful transition. The placement should allow for freedom of choice while ensuring that resources are in place to meet the individual's basic needs and ensure that the needs of the individual are met safely. .
vi. Communication and coordination should occur for all services in the community prior to release. This includes but is not limited to coordination for continuity of medications and follow-up appointments for continuity of medical and behavioral health treatment.

vii. Referral information and appointments scheduled should be documented and given to the individual and/or authorized representative.
viii. Discharge/transition planning will follow the standards that are included in the Housing Practice Guidelines, Person Centered Planning Policy and Practice Guideline, Consumerism Practice Guidelines, and the Inclusion Practice Guideline.

Applies to

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's Affiliates: ☒ Policy Only ☐ Policy and Procedure
☒ Other: Sub-contract Providers

Definitions/Acronyms:

CMHSP: Community Mental Health Service Programs
Consumerism: Means active promotion of the interests, service needs, and rights of consumers receiving mental health and/or substance use disorder services.
Customers/Consumers: Refers to those individuals who are eligible to receive specialty mental health and substance use disorder services, as well as those currently receiving such services and their families/guardians. For the purpose of MSHN policy, these terms are used interchangeably.
MCB: Michigan Commission on the Blind
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
MRS: Michigan Rehabilitation Services
PIHP: Prepaid Inpatient Health Plan
SD: Self Determination Arrangement

References/Legal Authority

1. Medicaid Provider Manual
2. Balanced Budget Act of 1997
3. MDHHS PIHP Contract – Person-Centered Planning; Cultural Competence;
4. Out of Network Responsibility; Consumerism Practice Guideline; and Inclusion Practice Guideline
5. MDHHS CMHSP Contract – Recovery Policy & Practice Advisory; Self Determination Practice & Fiscal Intermediary Guideline; QI Programs for CMHSPs; Housing Practice Guideline
6. MDHHS/PIHP Contract: Attachment 3.4.4 (The Self Determination Policy and Practice Guidelines, March 18, 2012)
7. Inclusion Practice Guideline C6.9.3.2
8. Employment Works! C6.9.8.1
9. MDHHS –PIHP Contract Collaboration with Community Agencies 7.2
10. MDHHS-PIHP Contract Integrated Physical and Behavioral health 7.4
11. Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program
12. Housing Practice Guidelines (Attachment P 6.8.2.2)
13. Person Centered Planning Policy and Practice Guideline (Attachment P 3.4.1.1)
14. Consumerism Practice Guidelines (Attachment P 6.8.2.3)
15. Inclusion Practice Guideline (Attachment P 6.8.2.1)
16. 2017Behavioral Health Standards Manual, Commission on Accreditation of the Rehabilitation Facilities (69-75), 2017.
17. Quality Improvement Data (Attachment P 6.5.1.1)
18. 42 CFR Part 2 – Confidentiality of Alcohol and Drug Abuse Patient Records

Change Log:

Date of Change	Description of Change	Responsible Party
12.03.2013	New policy	Customer Service Committee
04.2015	Annual review, format consistency	CEO, Utilization Management Committee and Clinical Leadership Committee
07.2015	Added Community Collaboration section to address MDHHS requirements; added integrated healthcare standards	Chief Executive Officer
03.2017	Annual Review	Chief Executive Officer

Chapter:	Service Delivery System		
Title:	**Autism Spectrum Disorder Benefit**		
Policy: ☑ **Procedure:** ☐ **Version:** 2.0 **Page: 1 of 11**	**Review Cycle:** Annual **Author:** UM & Waiver Director and Autism Workgroup	**Adopted Date: 04.07.2015** **Review Date:** 05.02.2017 **Revision Eff. Date: 04.12.16**	**Related Policies:**

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

To ensure Mid-State Health Network (MSHN) and its Provider Network comply with the requirements for the coverage of Behavioral Health Treatment (BHT) services, including Applied Behavior Analysis (ABA), for children under 21 years of age with Autism Spectrum Disorder (ASD) under the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) benefit.

Policy

MSHN staff and the MSHN Provider Network shall fully comply with the requirements set forth in the EPSDT benefit and the Michigan Medicaid Manual. This includes, but is not limited to:

Screening

The American Academy of Pediatrics (AAP) endorses early identification of developmental disorders as being essential to the well-being of children and their families. Early identification of developmental disorders through screening by health care professionals should lead to further evaluation, diagnosis, and treatment. Early identification of a developmental disorder's underlying etiology may affect the medical treatment of the child and the parent's/guardian's intervention planning. Screening for ASD typically occurs during an EPSDT well-child visit with the child's primary care provider (PCP). EPSDT well-child visits may include a review of the child's overall medical and physical health, hearing, speech, vision, behavioral and developmental status, and screening for ASD with a validated and standardized screening tool. The EPSDT well-child evaluation is also designed to rule out medical or behavioral conditions other than ASD, and include those conditions that may have behavioral implications and/or may co-occur with ASD. A full medical and physical examination must be performed before the child is referred for further evaluation.

Referral

The PCP who screened the child for ASD and determined a referral for further evaluation was necessary will contact the CMHSP directly to arrange for a follow-up evaluation. The PCP must refer the child to the CMHSP in the geographic service area for Medicaid beneficiaries. The CMHSP will contact the child's parent(s)/guardian(s) to arrange a follow-up appointment for a comprehensive diagnostic evaluation and behavioral assessment. Each CMHSP will identify a specific point of access for children who have been screened and are being referred for a diagnostic evaluation and behavioral assessment of ASD. If the PCP determines the child who screened positive for ASD is in need of occupational, physical, or speech therapy, the PCP will refer the child directly for the service(s) needed. After a beneficiary is screened and the PCP determines a referral is necessary for a follow-up visit, the CMHSP is responsible for the comprehensive diagnostic evaluation, behavioral assessment, BHT services (including BHT) for eligible Medicaid beneficiaries, and for the related EPSDT medically necessary Mental Health Specialty Services. Occupational therapy, physical therapy, and speech therapy for children with ASD that do not meet the eligibility requirements for developmental disabilities by the CMHSP are covered by the Medicaid Health Plan or by Medicaid Fee-for-Service.

While screening for ASD typically occurs during an EPSDT well-child visit with the child's PCP, there is no "wrong door" for a referral for further evaluation of the child. PCP's are responsible for screening the child for ASD and for providing a full medical and physical examination to rule out other medical or behavioral conditions other than ASD. If a beneficiary is self-referred, or is without a PCP, and contacts the PIHP/CMH regarding the need for ASD services, the PIHP/CMH may initiate the eligibility process for services while also making an appropriate referral to the PCP for a further screening and medical/physical examination as needed. Documentation of referrals by the CMH should be recorded in the individuals file.

Comprehensive Diagnostic Evaluations

Accurate and early diagnosis of ASD is critical in ensuring appropriate intervention and positive outcomes. The comprehensive diagnostic evaluation must be performed before the child receives BHT services. The comprehensive diagnostic evaluation is a neurodevelopmental review of cognitive, behavioral, emotional, adaptive, and social functioning, and should include validated evaluation tools. Based on the evaluation, the practitioner determines the child's diagnosis, recommends general ASD treatment interventions, and refers the child for a behavior assessment. The provider who conducts the behavior assessment recommends more specific ASD treatment interventions. These evaluations are performed by a qualified licensed practitioner working within their scope of practice and who is qualified and experienced in diagnosing ASD. A qualified licensed practitioner includes: a physician with a specialty in psychiatry or neurology; a physician with a sub-specialty in developmental pediatrics, developmental-behavioral pediatrics or a related discipline; a physician with a specialty in pediatrics or other appropriate specialty with training, experience or expertise in ASD and/or behavioral health; a psychologist; an advanced practice registered nurse with training, experience, or expertise in ASD and/or behavioral health; a physician assistant with training, experience, or expertise in ASD and/or behavioral health; or a clinical social worker, working within their scope of practice, and is qualified and experienced in diagnosing ASD. The determination of a diagnosis by a qualified licensed practitioner is accomplished by direct observation and utilizing the Autism Diagnostic Observation Schedule-Second Edition (ADOS-2), and by administering a comprehensive clinical interview including a developmental symptom history (medical, behavioral, and social history) such as the Autism Diagnostic Interview-Revised (ADI-R) or clinical equivalent. In addition, a qualified licensed practitioner will rate symptom severity with the Clinical Global Impression Severity Scale. Other tools may be used if the clinician feels it is necessary to determine a diagnosis and medical necessity service recommendations. Other tools may include: cognitive/developmental tests such as the Mullen Scales of Early Learning, Wechsler Preschool and Primary Scale of Intelligence-IV (WPPSI-IV), Wechsler Intelligence Scale for Children-IV (WISC-IV), Wechsler Intelligence Scale for Children-V (WISC-V), or Differential Ability Scales-II (DAS-II); adaptive behavior tests such as Vineland Adaptive Behavior Scale-II (VABS-II), Adaptive Behavior Assessment System-III (BHTS-III), or Diagnostic Adaptive Behavior Scale (DABS), and/or; symptom monitoring such as Social Responsiveness Scale-II (SRS-II), Aberrant Behavior Checklist, or Social Communication Questionnaire (SCQ).

Medical Necessity Criteria

Medical necessity and recommendation for BHT services is determined by a physician, or other licensed practitioner working within their scope of practice under state law. The child must demonstrate substantial functional impairment in social communication, patterns of behavior, and social interaction as evidenced by meeting criteria A and B listed below; and require BHT services to address the following areas:

A. The child currently demonstrates substantial functional impairment in social communication and social interaction across multiple contexts, and is manifested by ***all*** of the following:
    1. Deficits in social-emotional reciprocity ranging, for example, from abnormal social approach and failure of normal back-and-forth conversation, to reduced sharing of interests, emotions, or affect, to failure to initiate or respond to social interactions.
    2. Deficits in nonverbal communicative behaviors used for social interaction ranging, for example, from poorly integrated verbal and nonverbal communication, to abnormalities in eye contact and body language or deficits in understanding and use of gestures, to a total lack of facial expressions and nonverbal communication.

3. Deficits in developing, maintaining, and understanding relationships ranging, for example, from difficulties adjusting behavior to suit various social contexts, to difficulties in sharing imaginative play or in making friends, to absence of interest in peers.

B. The child currently demonstrates substantial restricted, repetitive and stereotyped patterns of behavior, interests, and activities, as manifested by ***at least two*** of the following:
    1. Stereotyped or repetitive motor movements, use of objects, or speech (e.g., simple motor stereotypes, lining up toys or flipping objects, echolalia, and/or idiosyncratic phrases).
    2. Insistence on sameness, inflexible adherence to routines, or ritualized patterns or verbal nonverbal behavior (e.g., extreme distress at small changes, difficulties with transitions, rigid thinking patterns, greeting rituals, and/or need to take same route or eat the same food every day).
    3. Highly restricted, fixated interests that are abnormal in intensity or focus (e.g., strong attachment to or preoccupation with unusual objects, and/or excessively circumscribed or perseverative interest).
    4. Hyper- or hypo- reactivity to sensory input or unusual interest in sensory aspects of the environment (e.g., apparent indifference to pain/temperature, adverse response to specific sounds or textures.

<u>Determination of Eligibility for BHT</u>

The following is the process for determining eligibility for BHT services for a child with a confirmed diagnosis of ASD. Eligibility determination and recommendation for BHT must be performed by a qualified licensed practitioner through direct observation utilizing the ADOS-2 and symptom rating using the Clinical Global Impression Severity Scale. BHT services are available for children under 21 years of age with a diagnosis of ASD from the Diagnostic and Statistical Manual of Mental Disorders (DSM-5), and who have the developmental capacity to clinically participate in the available interventions covered by BHT services. A well-established DSM-IV diagnosis of Autistic Disorder, Asperger's Disorder or PDD-NOS should be given the diagnosis of ASD. Children who have marked deficits in social communication but whose symptoms do not otherwise meet criteria for ASD should be evaluated for social (pragmatic) communication disorder. The following requirements must be met:

1. Child is under 21 years of age.
2. Child received a diagnosis of ASD from a qualified licensed practitioner utilizing valid evaluation tools.
3. Child is medically able to benefit from the BHT treatment.
4. Treatment outcomes are expected to result in a generalization of adaptive behaviors across different settings to maintain the BHT interventions and that they can be demonstrated beyond the treatment sessions. Measurable variables may include increased social-communication, increased interactive play/age-appropriate leisure skills, increased reciprocal communication, etc.
5. Coordination with the school and/or early intervention program is critical. Collaboration between school and community providers is needed to coordinate treatment and to prevent duplication of services. This collaboration may take the form of phone calls, written communication logs, participation in team meetings (i.e., Individual Education Plan/Individual Family Service Plan [IEP/IFSP], Individual Plan of Service [IPOS], etc.).
6. Services are able to be provided in the child's home and community, including centers and clinics.
7. Symptoms are present in the early developmental period (symptoms may not fully manifest until social demands exceed limited capacities, or may be masked by learned strategies later in life).
8. Symptoms cause clinically significant impairment in social, occupational, and/or other important areas of current functioning that are fundamental to maintain health, social inclusion, and increased independence.
9. A qualified licensed practitioner recommends BHT services and the services are medically necessary for the child.

10. Services must be based on the individual child and the parent's/guardian's needs and must consider the child's age, school attendance requirements, and other daily activities as documented in the IPOS. Families of minor children are expected to provide a minimum of eight hours of care per day on average throughout the month.

Prior Authorization

BHT services are authorized for a time period not to exceed 365 days. The 365-day authorization period for services may be re-authorized annually based on recommendation of medical necessity by a qualified licensed practitioner working within their scope of practice under state law.

Re-evaluation

An annual re-evaluation occurring within 365 days by a qualified licensed practitioner to assess eligibility criteria must be conducted through direct observation utilizing the ADOS-2 and symptoms rated using the Clinical Global Impression Severity Scale. Additional tools may be used if the clinician feels it is necessary to determine medical necessity and recommended services. Other tools may include cognitive/developmental tests, adaptive behavior tests, and/or symptom monitoring.

Discharge Criteria

Discharge from BHT services is determined by a qualified BHT professional for children who meet any of the below criteria:

1. The child has achieved treatment goals and less intensive modes of services are medically necessary and appropriate.
2. The child is either no longer eligible for Medicaid or is no longer a State of Michigan resident.
3. The child has not demonstrated measureable improvement and progress toward goals, and the predicted outcomes as evidenced by a lack of generalization of adaptive behaviors across different settings where the benefits of the BHT interventions are not able to be maintained or they are not replicable beyond the BHT treatment sessions through a period of six months.
4. Targeted behaviors and symptoms are becoming persistently worse with BHT treatment over time or with successive authorizations.
5. The child no longer meets the eligibility criteria as evidenced by use of valid evaluation tools administered by a qualified licensed practitioner.
6. The child and/or parent/guardian is not able to meaningfully participate in the BHT services, and does not follow through with treatment recommendations to a degree that compromises the potential effectiveness and outcome of the BHT service.

BHT Services

A. Behavioral Assessment
   Behavioral assessments must use a validated instrument and can include direct observational assessment, observation, record review, data collection, and analysis by a qualified provider. Examples of behavior assessments include function analysis and functional behavior assessments. The behavioral assessment must include the current level of functioning of the child using a validated data collection method. Behavioral assessments and ongoing measurements of improvement must include behavioral outcome tools. Examples of behavioral outcome tools include Verbal Behavior Milestones Assessment and Placement Program (VB-MAPP), Assessment of Basic Language and Learning Skills revised (ABLLS-R), and Assessment of Functional Living Skills (AFLS).
B. Behavioral Intervention
   BHT services include a variety of behavioral interventions, which have been identified as evidence-based by nationally recognized research reviews and/or other nationally recognized scientific and clinical evidence. BHT services are designed to be delivered primarily in the home and in other community settings. Behavioral treatment intervention services include, but are not limited to, the following categories of evidence-based interventions:

- Collecting information systematically regarding behaviors, environments, and task demands (e.g., shaping, demand fading, task analysis);
- Adapting environments to promote positive behaviors and learning while discouraging negative behaviors (e.g., naturalistic intervention, antecedent based intervention, visual supports, stimulus fading);
- Applying reinforcement to change behaviors and promote learning (e.g., reinforcement, differential reinforcement of alternative behaviors, extinction);
- Teaching techniques to promote positive behaviors, build motivation, and develop social, communication, and adaptive skills (e.g., discrete trial teaching, modeling, social skills instruction, picture exchange communication systems, pivotal response training, social narratives, self-management, prompting, chaining, imitation);
- Teaching parents/guardians to provide individualized interventions for their child, for the benefit of the child (e.g., parent/guardian implemented/mediated intervention);
- Using typically developing peers (e.g., individuals who do not have ASD) to teach and interact with children with ASD (e.g., peer mediated instruction, structured play groups, peer social interaction training); and
- Applying technological tools to change behaviors and teach skills (e.g., video modeling, tablet-based learning software).

In addition to the above listed categories of interventions, covered BHT treatment services may also include any other intervention supported by credible scientific and/or clinical evidence, as appropriate for each individual. Based on the behavioral plan of care which is adjusted over time based on data collected by the qualified provider to maximize the effectiveness of BHT treatment services, the provider selects and adapts one or more of these services, as appropriate for each individual.

C. Behavioral Observation and Direction

Behavioral observation and direction is the clinical direction and oversight provided by a qualified provider to a lower level provider based on the required provider standards and qualifications regarding the provision of services to a child. The qualified provider delivers face–to-face observation and direction to a lower level provider regarding developmental and behavioral techniques, progress measurement, data collection, function of behaviors, and generalization of acquired skills for each child. This service is for the direct benefit of the child and provides a real-time response to the intervention to maximize the benefit for the child. It also informs of any modifications needed to the methods to be implemented to support the accomplishment of outcomes in the behavioral plan of care.

D. Telepractice for BHT Services

All telepractice services must be prior authorized by the Michigan Department of Health and Human Services (MDHHS). Telepractice is the use of telecommunications and information technologies for the exchange of encrypted patient data for the provision of services. Telepractice must be obtained through real-time interaction between the child's physical location (patient site) and the provider's physical location (provider site). Telepractice services are provided to patients through hardwire or internet connection. It is the expectation that providers, facilitators, and staff involved in telepractice are trained in the use of equipment and software prior to servicing patients. Qualified providers of behavioral health services are able to arrange telepractice services for the purposes of teaching the parents/guardians to provide individualized interventions to their child and to engage in behavioral health clinical observation and direction. Qualified providers of behavioral health services include Board Certified Behavior Analysts (BCBA), Board Certified Assistant Behavior Analysts (BCaBA), Licensed Psychologists (LP), Limited Licensed Psychologists (LLP), and Qualified Behavioral Health Professionals (QBHP). The provider of the telepractice service is only able to monitor one child/family at a time. The administration of telepractice services are subject to the same provision of services that are provided to a patient in person. Providers of telepractice services must be currently certified by the

Behavior Analyst Certification Board (BACB), be a QBHP enrolled in a BACB degree program, be licensed in the State of Michigan as a fully licensed psychologist, or be a practitioner who holds a limited license and is under the direction of a fully licensed psychologist. Providers must ensure the privacy of the child and secure any information shared via telemedicine.

The technology used must meet the requirements of audio and visual compliance in accordance with current regulations and industry standards. Refer to the General Information for Providers Chapter of the Medicaid Provider Manual for the complete Health Insurance Portability and Accountability Act (HIPAA) compliance requirements. The Medicaid Provider Manual is available on the MDHHS website at www.michigan.gov/medicaidproviders >> Policy and Forms >> Medicaid Provider Manual.

The patient site may be located within a center, clinic, at the patient's home, or any other established site deemed appropriate by the provider. The room must be free from distractions that would interfere with the telepractice session. A facilitator must be trained in the use of the telepractice technology and be physically present at the patient site during the entire telepractice session to assist the patient at the direction of the qualified provider of behavioral health. Occupational, physical, and speech therapy are not covered under telepractice services. See the telemedicine database for appropriate or allowed telemedicine services that may be covered by the Medicaid Health Plan or by Medicaid Fee-for-Service.

BHT Service Level

BHT services are available for Medicaid beneficiaries diagnosed with ASD and are provided for all levels of severity of ASD. The behavioral intervention should be provided at an appropriate level of intensity in an appropriate setting(s) within their community for an appropriate period of time, depending on the needs of the child and their parents/guardians. Clinical determinations of service intensity, setting(s), and duration are designed to facilitate the child's goal attainment. These supports may serve to reinforce skills or lessons taught in school, therapy, or other settings, but are not intended to supplant services provided in school or other settings, or to be provided when the child would typically be in school but for the parent's/guardian's choice to home-school their child. Each child's IPOS must document that these services do not include special education and related services defined in the Individuals with Disabilities Education Improvement Act of 2004 (IDEA) that are available to the child through a local education agency. The recommended service level, setting(s), and duration will be included in the child's IPOS, with the planning team and the parent(s)/guardian(s) reviewing the IPOS at regular intervals (minimally every three months) and, if indicated, adjusting the service level and setting(s) to meet the child's changing needs. The service level includes the number of hours of intervention provided to the child. The service level determination will be based on research-based interventions integrated into the behavioral plan of care with input from the planning team. Service intensity will vary with each child and should reflect the goals of treatment, specific needs of the child, and response to treatment. It is the responsibility of MSHN's Utilization Management to authorize the level of services prior to the delivery of services.

- Focused Behavioral Intervention: Focused behavioral intervention is provided an average of 5-15 hours per week (actual hours needed are determined by the behavioral plan of care and interventions required).
- Comprehensive Behavioral Intervention: Comprehensive behavioral intervention is provided an average of 16-25 hours per week (actual hours needed are determined by the behavioral plan of care and interventions required).

BHT Service Evaluation

As part of the IPOS, there is a comprehensive, individualized behavioral plan of care that includes specific targeted behaviors, along with measurable, achievable, and realistic goals for improvement. BCBA and other qualified providers develop, monitor, and implement the behavioral plan of care. These providers are responsible for effectively evaluating the child's response to treatment and skill acquisition. Ongoing determination of the level of service (minimally every six months) requires evidence of measurable and ongoing improvement in targeted behaviors that are demonstrated with the use of reliable and valid assessment instruments (i.e., VB-MAPP, ABLLS-R, AFLS) and other appropriate documentation of analysis (i.e., graphs, assessment reports, records of service, progress reports, etc.).

BHT Service Provider Qualifications

MSHN and its Provider Network Management shall ensure credentialing of roles and responsibilities of qualified providers. BHT services are highly specialized services that require specific qualified providers that are available within PIHP/CMHSP provider networks and have extensive experience providing specialty mental health and behavioral health services. BHT services must be provided under the direction of a BCBA, another appropriately qualified LP or LLP, or a Master's prepared QBHP. These services must be provided directly to, or on behalf of, the child by training their parents/guardians, behavior technicians, and BCaBAs to deliver the behavioral interventions. The BCBA and other qualified providers are also responsible for communicating progress on goals to parents/guardians minimally every three to six months, clinical skill development and supervision of BCaBA, QBHP, and behavior technicians, and collaborating with support coordinators/case managers and the parents/guardians on goals and objectives with participation in development of the IPOS that includes the behavioral plan of care.

BHT Supervisors

- Board Certified Behavior Analyst-Doctorate (BCBA-D) or BCBA
    - Services Provided: Behavioral assessment, behavioral treatment, and behavioral observation and direction.
    - License/Certification: Current certification as a BCBA through the BACB. The BACB is the national entity accredited by the National Commission for Certifying Agencies (NCCA).
    - Education and Training: Minimum of a master's degree from an accredited institution conferred in a degree program in which the candidate completed a BACB approved course sequence.
- Licensed Psychologist (LP): Must be certified as a BCBA by September 30, 2020
    - Services Provided: Behavioral assessment, behavioral intervention, and behavioral observation and direction.
    - License/Certification: LP means a doctoral level psychologist licensed by the State of Michigan. Must complete all coursework and experience requirements.
    - Education and Training: Minimum doctorate degree from an accredited institution. Works within their scope of practice and has extensive knowledge and training in behavior analysis. Extensive knowledge is defined as having received documented coursework at the graduate level from an accredited university in at least three of the six following areas:

        1. Ethical considerations.
        2. Definitions & characteristics and principles, processes & concepts of behavior.
        3. Behavioral assessment and selecting interventions outcomes and strategies.
        4. Experimental evaluation of interventions.
        5. Measurement of behavior and developing and interpreting behavioral data.
        6. Behavioral change procedures and systems supports.
    - A minimum of one year experience in treating children with ASD based on the principles of behavior analysis. Works in consultation with the BCBA to discuss the caseload, progress, and treatment of the child with ASD.

- LLP: Must be certified as a BCBA by September 30, 2020
    - Services Provided: Behavioral assessment, behavioral intervention, and behavioral observation and direction.
    - License/Certification: LLP means a doctoral or master level psychologist licensed by the State of Michigan. Limited psychologist master's limited license is good for one two-year period. Must complete all coursework and experience requirements.
    - Education and Training: Minimum of a master's or doctorate degree from an accredited institution. Works within their scope of practice and has extensive knowledge and training in behavior analysis. Extensive knowledge is defined as having received documented coursework at the graduate level from an accredited university in at least three of the six following areas:
        1. Ethical considerations.
        2. Definitions & characteristics and principles, processes & concepts of behavior.
        3. Behavioral assessment and selecting interventions outcomes and strategies.
        4. Experimental evaluation of interventions.
        5. Measurement of behavior and developing and interpreting behavioral data.
        6. Behavioral change procedures and systems supports.

A minimum of one year experience in treating children with ASD based on the principles of behavior analysis. Works in consultation with the BCBA to discuss the progress and treatment of the child with ASD.

- BCaBA
    - Services Provided: Behavioral assessment, behavioral intervention, and behavioral observation and direction.
    - License/Certification: Current certification as a BCaBA through the BACB. The BACB is the national entity accredited by the NCCA.
        - Education and Training: Minimum of a bachelor's degree from an accredited institution conferred in a degree program in which the candidate completed a BACB approved course sequence.
        - Other Standard: Works under the supervision of the BCBA.
- QBHP: Must be certified as a BCBA by September 30, 2020
    - Services Provided: Behavioral assessment, behavioral treatment, and behavioral observation and direction.
    - License/Certification: A license or certification is not required, but is optional.
        - Education and Training: QBHP must meet one of the following state requirements:
            - Must be a physician or licensed practitioner with specialized training and one year of experience in the examination, evaluation, and treatment of children with ASD.
            - Minimum of a master's degree in a mental health-related field from an accredited institution with specialized training and one year of experience in the examination, evaluation, and treatment of children with ASD. Works within their scope of practice, works under the supervision of the BCBA, and has extensive knowledge and training in behavior analysis. Extensive knowledge is defined as having received documented coursework at the graduate level from an accredited university in at least three of the six following areas:
                1. Ethical considerations.
                2. Definitions & characteristics and principles, processes & concepts of behavior.
                3. Behavioral assessment and selecting interventions outcomes and strategies.
                4. Experimental evaluation of interventions.
                5. Measurement of behavior and developing and interpreting behavioral data.
                6. Behavioral change procedures and systems supports.

- Behavior Technician
    - Services Provided: Behavioral intervention.
    - License/Certification: A license or certification is not required.
    - Education and Training: Will receive BACB Registered Behavior Technician (RBT) training conducted by a professional experienced in BHT services (BCBA, BCaBA, LP, LLP, and/or QBHP), but is not required to register with the BACB upon completion in order to furnish services.
    - Works under the supervision of the BCBA or other professional (BCaBA, LP, LLP or QBHP) overseeing the behavioral plan of care, with minimally one hour of clinical observation and direction for every 10 hours of direct treatment.
    - Must be at least 18 years of age; able to practice universal precautions to protect against the transmission of communicable disease; able to communicate expressively and receptively in order to follow individual plan requirements and beneficiary-specific emergency procedure, and to report on activities performed; and be in good standing with the law (i.e., not a fugitive from justice, a convicted felon who is either under jurisdiction or whose felony relates to the kind of duty to be performed, or an illegal alien). Must be able to perform and be certified in basic first aid procedures and is trained in the IPOS/behavioral plan of care utilizing the person-centered planning process.

MSHN shall maintain evidence that the child meets needs based criteria for benefit eligibility as evidenced by the above evaluation and outcomes instruments. MSHN is responsible for a utilization management function in order to ensure sufficient separation of functions and addresses:

1. Conflict of interest;
2. Service authorization;
3. Clinical service provision;
4. Oversight and approval of ABA services;
5. Number and percent of administrative hearings related to utilization management function issues (amount, scope, duration of service;)
6. ABA services during the quarter were within the suggested range for the intensity of service.

Applies to:

☒All Mid-State Health Network Staff

☐Selected MSHN Staff, as follows:

☒MSHN's Affiliates: ☒Policy Only ☐Policy and Procedure

☒Other: Sub-contract Providers

Definitions:

ABA: Applied Behavior Analysis
ABLLS-R: Assessment of Basic Language and Learning Skills-Revised
ADI-R: Autism Diagnostic Interview-Revised
ADOS-2: Autism Diagnostic Observation Schedule-2
ASD: Autism Spectrum Disorder
BCBA: Board Certified Behavior Analyst
BCaBA: Board Certified Assistant Behavior Analyst
BHT: Behavioral Health Treatment
CMS: Centers for Medicare & Medicaid Services
DAS-II: Differential Ability Scales-II
EPSDT: Early Periodic Screening, Diagnosis and Treatment
IPOS: Individual Plan of Service
iSPA: 1915i State Plan Amendment

LP: Licensed Psychologist
LLP: Limited Licensed Psychologist
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
Provider Network: The Community Mental Health Services Program (CMHSP) participants that hold a contract with Mid-State Health Network.
QBHP: Qualified Behavioral Health Professional
VABS-2: Vineland Adaptive Behavior Scales-Second Edition
VB-MAPP: Verbal Behavior Milestones Assessment and Placement Program
WPPSI-III: Wechsler Preschool and Primary Scale of Intelligence-III
WPPSI-IV: Wechsler Preschool and Primary Scale of Intelligence-IV

Other Related Materials:
N/A

References/Legal Authority:
MDHHS Medicaid Managed Specialty Supports & Services Contract
Medical Services Administration Bulletin 15-59

Change Log:

Date of Change	Description of Change	Responsible Party
10.2014	New Policy	UM & Waiver Coordinator
06.2016	Replaces Original Policy	Waiver Coordinator
01.10.2017	Addition of referrals from outside sources	Waiver Coordinator

POLICIES AND PROCEDURE MANUAL

Chapter:	**Service Delivery System**		
Title:	**Cultural Competency Policy**		
Policy: ☑ **Procedure:** ☐ **Version:** 1.0 **Page:** 1 of 2	**Review Cycle:** Annually **Author:** Chief Compliance Officer	**Adopted Date: 01.05.2016** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:**

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

This policy is intended to define the expectations for Mid-State Health Network (MSHN) and its Provider Network to provide culturally competent supports and services.

Policy

MSHN and its Provider Network shall demonstrate an ongoing commitment to linguistic and cultural competence that ensures access and meaningful participation for all people in the service area.

Such commitment includes acceptance and respect for the cultural values, beliefs and practices of the community, as well as the ability to apply an understanding of the relationships of language and culture to the delivery of supports and services.

To effectively demonstrate such commitment, MSHN's Provider Network shall have five components in place:

(1) A method of community assessment;
(2) Sufficient policy and procedure to reflect the PIHP's value and practice expectations;
(3) A method of service assessment and monitoring;
(4) Ongoing training to assure that staff are aware of, and able to effectively implement, policy; and
(5) The provision of supports and services within the cultural context of the recipient.

Competence includes a general awareness of the cultural diversity of the service area including race, culture, religious beliefs, regional influences in addition to the more typical social factors such as gender, gender identification, sexual orientation, marital status, education, employment and economic factors, etc.

Applies to:

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

Definitions:

CMHSP: Community Mental Health Service Program
Cultural Competence: An ongoing process by which individuals and systems respond respectfully and effectively to all people in a manner that recognizes, affirms and values diverse populations.
MSHN: Mid-State Health Network
PIHP: Prepaid Inpatient Health Plan
Provider Network: refers to a CMHSP Participant that is directly under contract with the MSHN PIHP to provide services and/or supports through direct operations or through CMHSP subcontractors.

Other Related Materials:
MSHN Utilization Management Plan

References/Legal Authority:
Medicaid Managed Specialty Supports and Services Contract: Concurrent 1915(B)/(c) Waiver Programs, the Health Michigan Program and Substance Use Disorder Community Grant Programs

Change Log:

Date of Change	Description of Change	Responsible Party
03.18.2015	New Policy	Deputy Director
03.03.2017	Annual Review	Deputy Director

POLICIES AND PROCEDURES MANUAL

Chapter:	Service Delivery System		
Title:	Habilitation Supports Waiver Policy		
Policy: ☒ **Procedure:** ☐ **Version:** 1.0 **Page:** 1 of 3	**Review Cycle:** Annually **Author:** HSW Coordinator	**Adopted Date: 07.01.2014** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** HSW Service Philosophy

DO NOT WRITE IN SHADED AREA ABOVE

Purpose:
This policy sets forth the guidelines and expectations for Mid-State Health Network's (MSHN) administration of the Habilitation Supports Waiver (HSW) program.

Policy:
MSHN shall administer the HSW program in accordance with the Prepaid Inpatient Health Plan (PIHP) contract and the Medicaid Provider Manual.
HSW beneficiaries must be enrolled through the Michigan Department of Health and Human Services (MDHHS) enrollment process by the Prepaid Inpatient Health Plan (PIHP) designee. The enrollment process must include verification that the beneficiary (all must apply):

1. Has a developmental disability (as defined in the Michigan Mental Health Code MCL 330.1100 (20);
2. Is Medicaid-eligible;
3. Is residing in a community setting;
4. If not for HSW services, would require Intermediate Care Facility/Intellectual-Developmental Disability (ICF/IDD) level of care services;
5. Chooses to participate in the HSW in lieu of ICF/IDD services.

HSW beneficiaries must receive at least one HSW service per month in order to maintain eligibility. The beneficiary's services and supports must be specified in the individual's plan of services developed through the person-centered planning process that must be specific to:

- Medical necessity: Determination that a specific service is medically (clinically) appropriate, necessary to meet needs, consistent with the person's diagnosis, symptomatology and functional impairments, is the most cost-effective option in the least restrictive environment, and is consistent with clinical standards of care. Medical necessity of a service shall be documented in the individual plan of services.
- Amount: The number of units (e.g., 25 15-minute units of community living supports) of service identified in the individual plan of service or treatment plan to be provided.
- Scope: The length of time (e.g., three weeks, six months) it is expected that a service identified in the individual plan of service or treatment plan will be provided.
- Duration: The parameters within which the service will be provided, including Who (e.g., professional, paraprofessional, aide supervised by a professional); How (e.g., face-to-face, telephone, taxi or bus, group or individual); and Where (e.g., community setting, office, beneficiary's home).

MSHN shall establish adequate procedures to assure effective administration of the program across the region including:

- Initial Application and Eligibility,
- Annual Recertification,
- HSW Slot Transfer, and
- HSW Financial Monitoring.

Applies to:
☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN's Affiliates: ☐Policy Only ☒Policy and Procedure
☒Other: Sub-contract Providers

Definitions:
HSW: Habitation Support Waiver
MDHHS: Michigan Department of Health and Human Services
PIHP: Prepaid Inpatient Health Plan
ICF/IDD: (Intermediate Care Facility/Intellectual-Developmental Disability 42 CFR 435.1009) Institution for individuals with developmental disabilities or persons with related conditions means an institution (or distinct part of an institution) that (a) Is primarily for the diagnosis, treatment, or rehabilitation of people with developmental disabilities or persons with related conditions; and (b) Provides, in a protected residential setting, ongoing evaluation, planning, 24-hour supervision, coordination, and integration of health or rehabilitative services to help each individual function at his greatest ability.
Developmental Disability: means either of the following:

1. If applied to an individual older than 5 years, a severe, chronic condition that meets all of the following requirements:
    a. Is attributable to a mental or physical impairment or a combination of mental and physical impairments.
    b. Is manifested before the individual is 22 years old.
    c. Is likely to continue indefinitely.
    d. Results in substantial functional limitations in 3 or more of the following areas of major life activity:
        i. Self-care.
        ii. Receptive and expressive language.
        iii. Learning. iv. Mobility.
        v. Self-direction.
        vi. Capacity for independent living.
        vii. Economic self-sufficiency.
    e. Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.
2. If applied to a minor from birth to age 5, a substantial developmental delay or a specific congenital or acquired condition with a high probability of resulting in developmental disability as defined in subdivision (a) if services are not provided.

Other Related Materials:
MSHN Procedure: HSW Initial Application and Eligibility,
MSHN Procedure: HSW Annual Recertification
MSHN Procedure: HSW Slot Transfer
MSHN Procedure: HSW Financial Monitoring.

References/Legal Authority:
The MDHHS – PIHP Contract;
MDHHS, Medicaid Provider Manual; Section 15 – Habilitation Supports Waiver Program for Persons with Developmental Disabilities, January 2014;
Intermediate Care Facility/Intellectual-Developmental Disability 42 CFR 435.1009; and Michigan Mental Health Code MCL 330.1100 (20).

Change Log:

Date of Change	Description of Change	Responsible Party
04.2014	New Policy	CEO and HSW Coordinator,
07.2016	Author and Related Policies section updates	HSW Coordinator
01.2017	Annual review	Waiver Coordinator

POLICIES AND PROCEDURE MANUAL

Chapter:	**Service Delivery System**		
Title:	**Out-of-State Placements**		
Policy: ☒ **Procedure:** ☐ **Version:** 2.0 **Page:** 1 of 3	**Review Cycle:** Annually **Author:** Provider Network Management Committee	**Adopted Date: 05.05.2015** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** Service Delivery System

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

This policy is established to provide guidelines for the placement of Mid-State Health Network (MSHN) Adult recipients outside of the State of Michigan into a community based residential dependent living setting, in accordance with the Michigan Mental Health Code and the State of Michigan Administrative Rules. Persons under the age of 18 shall not be placed out of the State of Michigan for residential care.

Policy

It is the intent of Mid State Health Network to comply with *Section 330.919 of the Michigan Mental Health Code Section 330.1919 - Contracts for services of agencies located in bordering states as well Section 330 Michigan Administrative Rules Section 330.1701 – 330.1703* regarding the placement of individuals outside of the state of Michigan.

Placing Community Mental Health Service Programs (CMHSP) shall notify MSHN's Director of Utilization Management and Waiver Services of their intent to place a Medicaid eligible adult out of state, and keep them apprised of the status of the placement approval from the Michigan Department of Health and Human Services (MDHHS).

Determination of Need:
Only voluntary placements shall be considered for out of state residential services. The Provider will be the Placing Agency, and act in accordance with State requirements for such placements.

Any placing agency must make a determination in the placement of an individual outside of the State of Michigan that the placement is clinically appropriate. All efforts should first be made to serve the needs of individuals within the State of Michigan.

If an out of state placement is being considered, the Placing Agency shall notify Mid-State Health Network (MSHN) of its intentions, and detail the history of the individual and services that have been provided, and clinical determination that needed services are not available within the State for that individual. MSHN shall submit to the State of Michigan a treatment summary, current assessment and PCP summary, discharge plan and monitoring of placement plan.

Placement shall not occur until the Michigan Department of Health and Human Services approves the out of state placement in writing.

The Placing Agency shall meet the requirements of the Mental Health Code and the Michigan Administrative Rules in seeking provision of out of state services.

These requirements include, but may not be limited to:

1) A Placing Agency may contract as provided under this section with a public or private agency located in a state bordering Michigan to secure services under this act for an individual who receives services through the county program.
2) A Placing Agency may contract as provided under this section with a public or private agency located in a state bordering Michigan to provide services under this act in an approved treatment facility in this state for an individual who is a resident of the bordering state, except that such services may not be provided for an individual who is involved in criminal proceedings.
3) An individual does not establish legal residence in the state where the receiving agency is located while the individual is receiving services pursuant to a contract executed under this section.
4) If an individual receiving treatment on a voluntary basis pursuant to a contract executed under this section requests discharge, the receiving agency shall immediately notify the Placing Agency and shall return the individual to the sending state as directed by the placing agency within 48 hours after the request, excluding Saturdays, Sundays, and legal holidays, unless other arrangements are made with the placing agency.
5) An individual may be transferred between facilities of the receiving state if transfers are permitted by the contract executed under this section providing for the individual's care.
6) Each contract executed for out-of-state residential services shall contain all of the following:
    a) Establish the responsibility for payment for each service to be provided under the contract. Charges shall not be more or less than the actual cost of providing the service;
    b) Establish the responsibility for the transportation of individuals to and from the residential facility;
    c) Provide for reports by the receiving agency to the Placing Agency on the condition of each individual covered by the contract;
    d) Provide for arbitration of disputes arising out of the contract that cannot be settled through discussion between the contracting parties and specify how the arbitrators will be chosen;
    e) Include provisions ensuring the nondiscriminatory treatment, as required by law, of employees, individuals receiving services, and applicants for employment and services;
    f) Establish the responsibility for providing legal representation for an employee of a contracting party in legal proceedings initiated by an individual receiving treatment pursuant to the contract;
    g) Include provisions concerning the length of the contract and the means by which the contract can be terminated;
    h) Establish the right of the Placing Agency and the State of Michigan to inspect, at all reasonable times, the records of the Provider and its treatment facilities to determine if appropriate standards of care are met for individuals receiving services under the contract;
    i) Require each individual who seeks treatment on a voluntary basis to agree in writing to be returned to the State of Michigan upon making a request for discharge; and
    j) Specify the circumstances under which an individual will be permitted a home visit or granted a pass to leave the facility, or both.

Applies to:

☐All Mid-State Health Network Staff

☐Selected MSHN Staff, as follows:

☒MSHN's Affiliates: ☐Policy Only ☒Policy and Procedure

☐Other: Sub-contract Providers

Definitions:
CMHSPs: Community Mental Health Service Programs
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
Placing Agency: CMHSP responsible for requesting and managing the out-of-state placement
PNMC: Provider Network Management Committee
Receiving Agency: Organization accepting the out of state placement
Responsible Mental Health Agency: Agency responsible for payment Provider: Placing agency (CMHSP)
Treatment Facility: Facility where individual is placed

Other Related Materials:
Out-of-State Placement Procedure

References/Legal Authority:
Michigan Mental Health Code

Change Log:

Date of Change	Description of Change	Responsible Party
01.2015	New Policy	C. Mills/PNMC
05.2016	Annual Review	Director of Provider Network Management Systems, PNMC
03.2017	Annual Review	Director of Provider Network Management Systems, PNMC

POLICIES MANUAL

Chapter:	Service Delivery System		
Title:	**Behavioral Health Recovery Oriented System of Care**		
Policy: ☒ **Procedure:** ☐ **Version:** 1.0 **Page:** 1 of 4	**Review Cycle:** Annually **Author:** SUD Workgroup and HITP Director	**Adopted Date: 1.06.2015** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** Service Philosophy

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

To ensure that Mid-State Health Network (MSHN) and its Provider Network develop a holistic and effective behavioral health system that promotes recovery and resilience across its network of care, through adoption of the fifteen guiding principles of a Recovery Oriented System of Care (ROSC) developed by the state of Michigan. Behavioral health systems are inclusive of individuals who encompass one or more of the following disorders:

- Substance use disorders,
- Severe and persistent mental illness,
- Serious emotional disturbances,
- Autism,
- Intellectual/Developmentally disabilities and;
- Co-occurring Disorders.

Policy

MSHN and its Provider Network adopts fifteen ROSC principles to support and guide the development of behavioral health throughout the region as identified below.

A. Adequately and flexibly financed: MSHN's system will be adequately financed to permit access to a full continuum of behavioral health services, ranging from prevention, early intervention, case management, and treatment to continuing care, peer support and recovery support. In addition, MSHN will strive to make funding sufficiently flexible to enable the establishment of a customized array of behavioral health services that can evolve over time to support an individual's and a community's recovery.

B. Inclusion of the voices and experiences of recovering individuals, youth, family, and community members: The voices and experiences of all community stakeholders will contribute to the design and implementation of the system. People in recovery, youth, and family members will be included among decision-makers and have input and/or oversight responsibilities for behavioral health service provision. Recovering individuals, youth, family, and community members will be prominently and authentically represented on behavioral health advisory councils, boards, task forces, and committees.

C. Integrated strength based services: MSHN's system will coordinate and/or integrate efforts across behavioral health service systems, particularly with primary care services, to achieve an integrated service delivery system that responds effectively to the individual's or the community's unique constellation of strengths, desires, and needs.

D. Services that promote health and wellness will take place within the community: MSHN's system of care will be centered within the community, to enhance its availability and support the capacities of families, intimate social networks, community-based institutions, and other people in recovery. By strengthening the positive social support networks in which individuals participate, MSHN can increase the chances for successful behavioral health recovery and community wellness.

E. Outcomes driven: MSHN's system will be guided by recovery-based process and outcome measures. These measures will be developed in collaboration with individuals in recovery, the Provider network and the community. Outcome measures will be diverse and encompass measures of community wellness as well as the long-term global effects of the behavioral health recovery process on the individual, family, and community – not just the remission of biomedical symptoms. Behavioral health outcomes will focus on individual, family, and community indicators of health and wellness, including benchmarks of quality-of-life changes for people in recovery.

F. Family and significant-other involvement: MSHN's system of care will acknowledge the important role that families and significant others can play in promoting wellness for all and recovery for those with behavioral health challenges. They will be incorporated, whenever it is appropriate, into needs-assessment processes, community planning efforts, recovery planning and all support processes. In addition, MSHN's system will identify and coordinate behavioral health services for the family members and significant others of people with substance use disorders.

G. System-wide education and training: MSHN's Provider Network will seek to ensure that concepts of behavioral health prevention, recovery, and wellness are foundational elements of curricula, certification, licensure, accreditation, and testing mechanisms. The workforce requires continuing education, at every level, to reinforce the tenets of ROSC. Education and training commitments are reinforced through policy, practice, and the overall service culture as identified by the state of Michigan.

H. Individualized and comprehensive services across all ages: MSHN's system of care will be individualized, person/family/community-centered, comprehensive, stage-appropriate, and flexible. It will adapt to the needs of individuals and communities, rather than requiring them to adapt to it. Individuals will have access to a menu of stage-appropriate choices that fit their needs throughout the recovery process. The approach to behavioral health care will change from an acute, episode-based model to one that helps people manage their symptoms throughout their lives. Behavioral health treatment and prevention services will be developmentally appropriate, emphasizing strengths, assets, and resiliencies; and engage the multiple systems and settings that have an impact on health and wellness. Behavioral health efforts will be individualized based on the community's needs, resources, and concerns.

I. Commitment to peer support and recovery support services: MSHN's system of care will promote ongoing involvement of peers, through peer support opportunities for youth and families and peer recovery support services for individuals with behavioral health concerns. Individuals with relevant lived experiences will assist in providing these valuable supports and services.

J. Responsive to Cultural Factors and Personal Belief Systems: MSHN's system of care will be culturally sensitive, gender competent, and age appropriate. There will be recognition that beliefs and customs are diverse and can impact the outcomes of behavioral health efforts.

K. Partnership-consultant relationship: MSHN's system will be patterned after a partnership/consultant model that focuses more on collaboration and less on hierarchy. Systems and services will be

designed so that individuals, families, and communities feel empowered to direct their own journeys of behavioral health recovery and wellness.

L. Ongoing monitoring and outreach: MSHN's system of care will provide ongoing monitoring and feedback, with assertive outreach efforts to promote continual participation, re-motivation, and re-engagement of individuals and community members in behavioral health services.

M. Research based: MSHN's system will be informed by research. Additional research on individuals in recovery, recovery venues, and the processes of behavioral health recovery (including cultural and spiritual aspects) will be essential to these efforts. Published research related to behavioral health will be supplemented by the individual experiences of people in recovery. Prevention efforts will use the Strategic Prevention Framework and epidemiologically based needs-assessment approaches to identify behavioral health issues and community concerns. Individual, family, and environmental prevention strategies will be data driven.

N. Continuity of care**:** MSHN's system will offer a behavioral health continuum of care that includes prevention, early intervention, treatment, continuing care, and support throughout recovery. Individuals will have a full range of stage-appropriate behavioral health services to choose from at any point in the recovery process with the outcome of improving quality of life. Behavioral health prevention services will involve the development of coordinated community systems that provide ongoing support, rather than isolated, episodic programs.

O. Promote Community Health and Address Environmental Determinants to Health: MSHN's system will strive to promote community health and wellness through strategic behavioral health prevention initiatives that focus on building community strengths in multiple sectors of our communities.

Applies to:

☒All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒MSHN's Affiliates: ☐ Policy Only ☐ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:

Behavioral Health Systems: The system is inclusive of individuals who encompass one or more of the following disorders: Substance use, Severe and persistent mental illness, Autism, Serious emotional disturbances, Intellectual/Developmentally disabilities and Co-occurring disorders.
MSHN: Mid-State Health Network
HITP: MSHN Health Integration, Treatment and Prevention Director
Recovery: Recovery is a process of change through which individuals improve their health and wellness, live a self-directed life and strive to reach their full potential. (Substance Abuse and Mental Health Services, SAMHSA).
ROSC: Recovery Oriented System of Care; based upon significant input from stakeholders, Michigan defines a ROSC as follows:

> Michigan's recovery-oriented system of care supports an individual's journey toward recovery and wellness by creating and sustaining networks of formal and informal services and supports. The opportunities established through collaboration, partnership and a broad array of services promote life-enhancing recovery and wellness for individuals, families and communities.
> *Adopted by the ROSC Transformation Steering Committee, September 30, 2010*

SUD: Substance Use Disorder
Strategic Prevention Framework: The framework establishes the parameters within which a regional prevention plan is established and monitored.
TSC: Transformation Steering Committee – committee working under the direction of OROSC staff. Developed Michigan's ROSC – An Implementation Plan for SUD Service System Transformation.

Other Related Materials:
Michigan's Recovery Oriented System of Care – An Implementation Plan for Substance Use Disorder Service System Transformation - Located at: http://www.michigan.gov/documents/mdch/ROSC_Implementation_Plan_357360_7.pdf

Guiding Principles and Elements of Recovery Oriented Systems:
Located at: www.samhsa.gov/.../rosc_resource guide

References/Legal Authority:
2013 Application for Participation Region 5 Response – located at: http://www.midstatehealthnetwork.org/docs/Region5PIHP2013AFP.PDF

Change Log:

Date of Change	Description of Change	Responsible Party
01.06.2015	New Policy	SUD Workgroup and HITP Director
06.2016	Policy reviewed	Clinical Leadership Committee
03.2017	Annual Review	Clinical Leadership Committee/Deputy Director

POLICIES AND PROCEDURE MANUAL

Chapter:	**Service Delivery**		
Title:	**Standardized Assessment**		
Policy: ☒ **Procedure:** ☐ **Version:** 2.0 **Page:** 1 of 2	**Review Cycle:** Annually **Author:** Clinical Leadership Committee SIS Workgroup	**Adopted Date:** 04.07.2015 **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** Service Philosophy

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

In accordance with best practice standards and the Mid-State Health Network (MSHN) contract with the Michigan Department of Health and Human Services (MDHHS), MSHN's provider network inclusive of Community Mental Health Service Program (CMHSP) Participants and the Substance Use Disorder (SUD) Provider Network shall administer or require administration of standardized assessments, for specific populations served, as defined by the Medicaid Managed Specialty Supports and Services Contract with the Pre-Paid Inpatient Health Plan (PIHP) .

Policy

MSHN shall assure through contract, policy, and procedure that regional provider network members are administering the noted standardized assessments as required. These assessments include, where clinically and contractually indicated, the American Society of Addiction Medicine (ASAM) Criteria, Child and Adolescent Functional Assessment Scale (CAFAS)/Preschool and Early Childhood Functional Assessment Scale (PECFAS), Level of Care Utilization System (LOCUS), and the Supports Intensity Scale (SIS). When necessary, MSHN shall work with CMHSPs and the SUD Provider Network to establish regional procedures for the administration and monitoring of standard assessment compliance.

MSHN staff or provider network members shall participate in MDHHS selection, planning and monitoring of standardized assessment administration as required.

Applies to:

☐All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN's Affiliates: ☐Policy Only ☒Policy and Procedure
☒Other: Sub-contract Providers

Definitions:

ASAM: American Society of Addiction Medicine
CAFAS: Child and Adolescent Functional Assessment Scale
CMHSP: Community Mental Health Services Programs
LOCUS: Level of Care Utilization System
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PECFAS: Preschool and Early Childhood Functional Assessment Scale
PIHP: Pre-paid Inpatient Health Plan
Provider Network: MSHN's provider network is inclusive of and limited to the CMHSPs and the SUD Provider Network-Contracted providers for the administration of services to persons with substance use disorder services.
SIS: Supports Intensity Scale

Other Related Materials:
N/A

References/Legal Authority:
MDHHS – PIHP Contract and related amendments.

Change Log:

Date of Change	Description of Change	Responsible Party
01.2015	New Policy	CEO
03.2016	Annual Review.	Director of Utilization Management and Waiver Services
02.2017	Added standardized assessments by name.	Director of Utilization Management and Waiver Services

POLICIES AND PROCEDURE MANUAL

Chapter:	**Service Delivery System**		
Title:	**SUD Services – Out of Region Coverage**		
Policy: ☑ **Procedure:** ☐ **Version: 1.0** **Page:** 1 of 2	**Review Cycle:** **Author: Utilization Mgmt. and Waiver Director**	**Adopted Date: 09.06.2016** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:**

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

The purpose of this policy is to delineate the Mid-State Health Network (MSHN) stance on MSHN-Medicaid consumer coverage for beneficiaries who receive residential or detoxification services outside of the MSHN region.

Policy

It is the policy of MSHN that for individuals receiving covered residential or detoxification services in a licensed out of region provider, that providers take no action to change the Medicaid county of residence of the individual receiving services.

Additional Guidance:

MSHN has established contracts with certain out of region (i.e. outside of the MSHN 21-county area) substance use disorder (SUD) treatment providers for residential and/or detoxification services. In other cases, MSHN will engage in "single-consumer" letters of agreement with providers not previously empaneled in the MSHN provider network to facilitate needed care.

It has been the historical practice of some SUD residential and/or detoxification treatment providers to contact local MDHHS eligibility personnel to transfer the consumer's Medicaid county of residence coverage to the county in which the treatment facility exists. Per the Medicaid Services Administration (MSA), there is no type of eligibility requirement dictating such a change in address when the consumer enters any treatment program.

The unintended consequence of switching any consumer's Medicaid coverage temporarily to a non-MSHN county results in the consumer being assigned to a different Pre-Paid Inpatient Health Plan (PIHP) region. In addition, when the consumer leaves the SUD provider and returns home, he or she will not be able get medical or other covered services in their home county until the Medicaid coverage is returned to the original PIHP (MSHN) assignment. This represents a barrier to treatment that should not exist for beneficiaries. The MSHN access management system should be service-driven and facilitate meeting the needs of the client without risking disengagement or constructing unnecessary barriers to benefit utilization.

MSHN has established rates for reimbursement to account for any benefits that the provider may use on behalf of the consumer, making a consumer address change initiated by the SUD provider unnecessary.

The MSHN region also contains Medicaid Health Plan (MHP) coverages (i.e. Medicaid Regional Prosperity Regions) that include all plans in the lower peninsula such that when the MSHN consumer participates in an out-of-region SUD program, adequate healthcare coverage continues to exist for that consumer.

Applies to:
☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☐MSHN's Affiliates: ☐Policy Only ☐Policy and Procedure
☒Other: Sub-contract Providers

Definitions:
CMHSP: Community Mental Health Service Program
MDHHS: Michigan Department of Health and Human Services
MHP: Medicaid Health Plan
MSA: Medicaid Services Administration
MSHN: Mid-State Health Network
PIHP: Pre-Paid Inpatient Health Program
SUD: Substance Use Disorder

Other Related Materials:

References/Legal Authority:
MDHHS Bureaus of Substance Abuse and Addiction Services Treatment Policy #7
MDHHS Medicaid Managed Specialty Supports and Services Concurrent 1915 (b)/(c) Waiver Program
MDHHS Michigan Medicaid Health Plans beginning January 1, 2016
MSHN Technical Requirement: CMHSP Responsibilities for 24/7/365 Access for Individuals with Primary Substance Use Disorders

Change Log:

Date of Change	Description of Change	Responsible Party
08.08.2016	New Policy	Utilization Mgmt. & Waiver Director
02.2017	No recommended changes	Utilization Mgmt. & Waiver Director

POLICIES AND PROCEDURE MANUAL

Chapter:	Service Delivery System		
Title:	**Support Intensity Scale**		
Policy: ☒ **Procedure:**☐ **Version:** 2.0 **Page:** 1 of 2	**Review Cycle:** Annually **Author:** Waiver Director, Chief Financial Officer	**Adopted Date: 07.07.2015** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** Service Delivery

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

Mid-State Health Network (MSHN) shall administer the Support Intensity Scale in accordance with the Pre-Paid Inpatient (PIHP) contract with the Michigan Department of Health and Human Services (MDHHS).

Policy

MSHN shall comply with section 7.7.3 Supports Intensity Scale of the PIHP Contract. In accordance with the contract MSHN shall:

1. Ensure that each individual age 18 and older with an Intellectual/Developmental Disability who has also received a case management, supports coordination, or respite only service, is assessed using the Supports Intensity Scale (SIS) at minimum of once every 3 years (or more or if the person experiences significant changes in their support needs). The PIHP will need to assure that a proportioned number of assessments are completed each year to assure that all are done in the three-year cycle, which began on June 30, 2014 and is scheduled to end on September 30, 2017. PIHPs or their designee shall continue to engage, at least annually, individuals who did not participate (or refused) in the SIS assessment, to increase their understanding of the benefits of the process and how results will be used. The SIS is an essential part of service planning.

2. Ensure an adequate team of trained and AAIDD recognized as qualified SIS assessors across its region to ensure that all individuals are assessed in the required timeframe…"

To achieve the requirement for SIS administration, each CMHSPs shall designate a "Clinical Contact" to facilitate communication between the assigned SIS Assessor and their respective organization. Clinical Contacts or their designees will be responsible for communicating with the SIS Assessor, knowing the requirements to complete a valid SIS, scheduling the assessment times and getting the SIS report into their Electronic Medical Record (EMR).

Applies to:

☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN's Affiliates: ☐Policy Only ☒Policy and Procedure
☐Other: Sub-contract Providers

Definitions:
AAIDD: American Association on Intellectual and Developmental Disabilities
CMHSP: Community Mental Health Service Program
EMR: Electronic Medical Record
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PIHP: Prepaid Inpatient Health Plan
SIS: Supports Intensity Scale
UM: Utilization Management

Related Materials:
SIS Procedure
Attachment A: Reporting and billing of valid SIS Claims

References/Legal Authority:
PIHP-MDHHS Contract FY15

Change Log:

Date of Change	Description of Change	Responsible Party
06.2015	New Policy	Waiver Director, Chief Compliance Officer
04.2016	Annual Review/Update	UM & Waiver Director
02.2017	Annual review	UM & Waiver Director

POLICIES AND PROCEDURE MANUAL

Chapter:	Service Delivery System		
Title:	**Supports Intensity Scale Quality Lead Policy**		
Policy: ☒ **Procedure:** ☐ **Version: 2.0** **Page:** 1 of 2	**Review Cycle: Annually** **Author:** UM and Waiver Director	**Adopted Date: 07.05.2016** **Review Date:** 05.02.2017 **Revision Eff. Date:**	**Related Policies:** Support Intensity Scale Policy

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

Mid-State Health Network (MSHN) shall ensure that all Supports Intensity Scale (SIS) assessors meet quality and reliability standards and allow the completion of assessments within each three-year timeframe through development of a SIS Quality Lead.

Policy

MSHN shall comply with the Michigan Department of Health and Human Services (MDHHS) section 7.7.3 Supports Intensity Scale of the PIHP Contract and the MDHHS SIS Implementation Manual by identifying, developing, and utilizing a SIS Quality Lead.

PIHP SIS Quality Lead is a SIS assessor and ensures that all SIS assessors in the MSHN region continue to meet AAIDD quality and reliability standards and allow the completion of assessments within the three-year timeframe. The PIHP SIS Quality Lead is intended to be a liaison to the SIS assessors within the MSHN region as the individual responsible for the development and maturation of the region's SIS assessor skillsets. The SIS Quality Lead shall develop and maintain the appropriate skillset and meet the following criteria:

1. Passed (at the Qualified: Excellent-Excellent or higher level) an Interviewer Reliability and Qualification Review (IRQR) conducted by an American Association on Intellectual and Developmental Disabilities (AAIDD) recognized trainer;
2. Have experience conducting assessments for a range of individuals with varying needs and circumstances;
3. Participated in regular Quality Assurance and Drift Reviews to develop his or her skills.
4. Possess the ability to transform from a skills focus while conducting assessments to a needs and supports orientation;
5. Effective communication skills;
6. Public speaking skills;
7. Ability to relate well to groups;
8. Ability to work well with people with various backgrounds;
9. Effective audience management skills;
10. Flexibility with work schedule, including commitment to completing work within designated timeframes;
11. Willingness and eagerness to participate as an internal lead;
12. Analytical skills to address difficult questions or problematic participants;
13. Ability to effectively use audio-visual equipment;
14. Effective time management skills;
15. Flexibility to modify presentation based on audience;
16. Strong organizational skills;
17. Practical knowledge of adult learning strategies;
18. Ability to deal with ambiguity (the rules will not always be clear or multiple changes may need to occur);

19. As ambassadors of the SIS implementation strategy, the person selected should present a positive view of the process and have a solid understanding of the SIS process and the tool;
20. Always seek to improve effectiveness and achieve greater efficiencies in the implementation strategy; and
21. Demonstrate a sense of humor as the ability to promote humor in a SIS training session is essential.

Applies to:
☐All Mid-State Health Network Staff
☒Selected MSHN Staff, as follows: MSHN UM and Waiver Director
☒MSHN's Affiliates: ☐Policy Only ☒Policy and Procedure
☐Other: Sub-contract Providers

Definitions:
AAIDD: American Association on Intellectual and Developmental Disabilities
CMHSP: Community Mental Health Service Program
IRQR: Interviewer Reliability and Qualification Review
MSHN: Mid-State Health Network
MDHHS: Michigan Department of Health and Human Services
PDR: Periodic Drift Review
PIHP: Prepaid Inpatient Health Plan
QL: Quality Lead
SIS: Supports Intensity Scale
UM: Utilization Management

Other Related Materials:
N/A

References/Legal Authority:
PIHP-MDHHS Contract FY15
MDHHS SIS Implementation Manual

Change Log:

Date of Change	Description of Change	Responsible Party
04.2016	New Policy	UM & Waiver Director
02.2017	Annual review	UM & Waiver Director

Chapter:	Service Delivery		
Title:	SUD Services-Women's Specialty Services		
Policy: ☒ Procedure: ☐ Version: 2.0 Page: 1 of 4	Review Cycle: Annually Author: SUD Workgroup, Health Integration, Treatment & Prevention Director	Adopted Date: 07.07.2015 Review Date: 05.02.2017 Revision Eff. Date:	Related Policies: Service Philosophy

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

The purpose of this policy is to establish the philosophy, requirements and procedure for women's substance use disorder (SUD) treatment services (Designated women's programs and gender competent programs) within the Mid-State Health Network (MSHN) region.

Standards

A. Substance Abuse Prevention and Treatment (SAPT) Block Grant requirements; (42U.S.C.96.124 [e])
B. Michigan Public Act 368 of 1978, Part 62, Section 333.6232.
C. Federal Regulation 45 CFR Part 96.
D. Michigan Department of Health & Human Services (MDHHS), Substance Abuse Treatment Policy #12, Women's Treatment Services (October 1, 2010).
E. Michigan Department of Health & Human Services (MDHHS), Substance Abuse Treatment Technical Advisory #8, Enhanced Women's Services (January 31, 2012)

Policy

MSHN strives to provide exceptional, gender-specific SUD prevention, treatment and recovery services, using the best quality, consumer-friendly, cost-efficient means possible. Women Specialty Service providers shall adhere to the following core values in delivery of care and service:

A. Family-Centered (Family is defined by the consumer)
B. Family Involvement
C. Build on Natural and Community Supports
D. Strength-based
E. Unconditional Care
F. Collaboration Across Systems
G. Team Approach across Agencies
H. Ensuring Safety
I. Gender/Age/Culturally Responsive Treatment
J. Self-sufficiency
K. Education and Work Focus
L. Belief in Growth, Learning, and Recovery
M. Outcome Oriented Services

Consumer Eligibility Criteria

- Pregnant women
- Women with dependent children
- Women attempting to regain custody of their children and/or women whose children are at-risk of out-of-home placement due to substance abuse
- Men who are the primary caregivers of dependent children
- Men, established as primary caregiver, attempting to regain custody of their children and/or men, established as primary caregiver, whose children are at-risk of out-of-home placement due to substance abuse

MSHN requires all providers screen and/or assess for the above eligibility.

Federal Requirements
Federal requirements are contained in 45 CFR (Part 96) section 96.124, and may be summarized as:

- Providers receiving funding from the state-administered funds set aside for WSS consumers must provide or arrange for the 5 types of services, as listed below. Use of state administered funds to purchase primary medical care and primary pediatric care must be approved, in writing, in advance, by the Department contract manager.

For eligible clients, the following federal services must be made available:

1. Primary medical care for women receiving SUD treatment.
2. Primary pediatric care for their children, including immunizations.
3. Gender specific SUD treatment and therapeutic interventions for women that may address issues of relationships, sexual and physical abuse and parenting.
4. Child care while women are receiving these services, therapeutic interventions for children in custody of women in treatment which may, among other things, address their developmental needs, and their issues of sexual and physical abuse and neglect.
5. Sufficient case management and transportation services to ensure that women and children have access to the services provided in the first 4 requirements.

The above five types of services may be provided through the MDHHS/PIHP agreement only when no other source of support is available and when no other source is financially responsible.

Women's Specialty Services may only be provided by providers that are designated as gender-responsive by the Michigan Department of Health & Human Services or certified as gender-competent by MSHN and that meet standard panel eligibility requirements. MSHN will maintain an accessible list of choice providers offering gender-competent treatment and identify providers that provide the additional services specified in the federal requirements.

Additional WSS information and requirements:
Providers should reference MSHN's 2017 SUD Provider Manual for additional WSS information, including:

- Encounter Reporting Requirements
- Admission Preference & Interim Services
- Access Timeliness Standards
- Admission Priority Requirements
- WSS Service Delivery Tiers
- WSS Program Structure
- WSS Treatment

Applies to:
☒ All Mid-State Health Network Staff
☐ Selected MHN Staff, as follows:
☒ MHN's Affiliates: ☐ Policy Only ☒ Policy and Procedure
☒ Other: Sub-contract Providers

Definitions:
MSHN: Mid-State Health Network
SUD: Substance Use Disorder
SRE: Sub-Regional Entity for SUD treatment and prevention services

Other Related Materials:
MSHN 2017 SUD Provider Manual

References/Legal Authority:

1. MDHHS/BHDDA Substance Abuse Treatment Policy #12, Women's Treatment Services.
2. MDHHS/BHDDA Treatment Technical Advisory #08, Enhanced Women's Services

Change Log:

Date of Change	Description of Change	Responsible Party
03.03.2015	New Policy	Deputy Director
07.13.2016	Revisions	Lead Treatment Specialist
03.2017	Annual Review	Deputy Director

Background:

In accordance with the MSHN Board of Directors to review financials, at a minimum quarterly, the Statement of Net Position, Statement of Activities, and Statement of Cash Flows for the Period Ending March 31, 2017 have been provided and presented for review and discussion.

Recommended Motion:

The MSHN Board of Directors receives and files the Statement of Net Position, Statement of Activities, and Statement of Cash Flows for the Period Ending March 31, 2017 as presented.

Mid-State Health Network
Statement of Activities
As of March 31, 2017

	Budget Annual	Actual Year-to-Date	Budget Year-to-Date	Budget Difference	Budget Variance	
	FY 17 Orig Budget		FY 17 Orig Budget			
Revenue:						
Grant Funding	0	$ 20,725	0	$ 20,725	0.00 %	1f
Medicaid Use of Carry Forward	$ 22,612,720	$ 6,438,736	$ 11,306,360	$ (4,867,624)	(43.05) %	1a
Medicaid Capitation	501,381,646	239,087,323	$ 250,690,823	(11,603,500)	(4.63) %	1b
Local Contribution	3,934,868	1,967,434	$ 1,967,434	0	0.00 %	1c
Interest Income	87,630	253,781	$ 43,815	209,966	479.21 %	1d
Change in Market Value	0	(147,578)	$ 0	(147,578)	0.00 %	
Non Capitated Revenue	14,255,086	6,894,826	7,127,543	(232,717)	(3.27) %	1e
Total Revenue	542,271,950	254,515,247	271,135,975	(16,620,728)	(6.13) %	
Expenses:						
PIHP Administration Expense:						
Compensation and Benefits	3,459,017	1,514,783	1,729,509	(214,726)	(12.42) %	
Consulting Services	180,000	124,979	90,000	34,979	38.87 %	
Contracted Services	118,750	46,823	59,374	(12,551)	(21.14) %	
Board Member Per Diems	5,900	6,516	2,951	3,565	120.81 %	
Meeting and Conference Expense	186,695	68,846	93,347	(24,501)	(26.25) %	
Liability Insurance	31,650	15,825	15,825	0	0.00 %	
Facility Costs	148,950	68,624	74,475	(5,851)	(7.86) %	
Supplies	166,030	84,782	83,015	1,767	2.13 %	
Other Expenses	1,217,199	236,736	608,600	(371,864)	(61.10) %	
Subtotal PIHP Administration Expenses	5,514,191	2,167,914	2,757,096	(589,182)	(21.37) %	2a
CMHSP and Tax Expense:						
CMHSP Participant Agreements	436,408,782	213,680,141	218,204,391	(4,524,250)	(2.07) %	1b
SUD Provider Agreements	33,555,086	18,718,527	16,777,543	1,940,984	11.57 %	1b
Benefits Stabilization	0	6,438,736	0	6,438,736	0.00 %	1a
Other Contractual Agreements	1,439,243	536,340	719,621	(183,281)	(25.47) %	2b
Tax - Local Section 928	3,934,868	1,967,434	1,967,434	0	0.00 %	1c
Taxes-Use/HICA/HRA	41,311,031	12,734,410	20,655,516	(7,921,106)	(38.35) %	2c
Subtotal CMHSP and Tax Expenses	516,649,010	254,075,588	258,324,505	(4,248,917)	(1.64) %	
Total Expenses	522,163,201	256,243,502	261,081,601	(4,838,099)	(1.85) %	
Excess of Revenues over Expenditures	$ 20,108,749	$ (1,728,255)	$ 10,054,374	$ (11,782,629)		

Mid-State Health Network
Statement of Net Position
As of March 31, 2017

Assets		
Cash and Short-term Investments		
Chase Checking Account	2,634,938	1a
Chase MM Savings	3,655	
Savings ISF Account	8,844,767	1b
Savings PA2 Account	12,115,975	1c
Investment PA2 Account	0	
Investment ISF Account	10,664,089	1b
Total Cash and Short-term Investments	$ 34,263,424	
Accounts Receivable		
Due from MDHHS	10,820,905	2a
Due from CMHSP Partipants	6,481,681	2b
Due from CMHSP	39,000	2c
Due from other governments	490,979	2d
Due from miscellaneous	10,357	2e
Total Accounts Receivable	17,842,922	
Prepaid Expenses		
Prepaid Expense Other	4,529	2f
Total Prepaid Expenses	4,529	
Total Assets	**$ 52,110,875**	
Liabilities and Net Position		
Liabilities		
Accounts Payable	$ 303,918	1a
Current Obligations (Due To Partners)		
Due to State	229,559	3d
Other Payable	2,946,633	3e
Due to State-Use Tax	235,506	1a
Due to State HRA Accrual	59,640	
Due to State HICA Accrual	1,099,862	
Due to Statel Local Obligation	0	
Due to CMHSP Participants	2,055	3a
Accrued PR Expense Wages	114,592	3b
Accrued Benefits PTO Payable	146,545	
Accrued Benefits Other	7,775	3f
Total Current Obligations (Due To Partners)	4,842,166	
Deferred Revenue	29,284,621	1c 2a 3a
Total Liabilities	34,430,705	
Net Position		
Unrestricted	(1,828,686)	3c
Restricted for Risk Management	19,508,856	1b
Total Net Position	17,680,170	
Total Liabilities and Net Position	**$ 52,110,875**	

Mid-State Health Network
Statement of Cash Flows - Direct Method
As of March 31, 2017

Cash received from:		
Medicaid Use of Carry Forward	1,073,123	
Medicaid Capitation	45,586,288	
Interest Income	55,881	
Change in Market Value	(46,382)	
Non Capitated Revenue	1,111,974	
Change in Cash from Operating Activities		
Accounts Receivable	(4,875,993)	
Deferred Revenue	(1,285,690)	
Total Change in Cash from Operating Activities	(6,161,683)	
Total cash received	41,619,200	1a
Cash paid to:		
PIHP Administration Expense:		
Compensation and Benefits	343,476	
Consulting Services	39,235	
Contracted Services	15,868	
Meeting and Conference Expense	4,217	
Facility Costs	10,872	
Supplies	7,643	
Other Expenses	16,997	
Subtotal PIHP Administration Expenses	438,307	2a
CMHSP and Tax Expense:		
CMHSP Participant Agreements	37,434,003	
SRE Agreement	3,400,692	
Benefits Stabilization	1,073,123	
Other Contractual Agreements	254,277	
Taxes-Use/HICA/HRA		
Tax - HICA and HRA	999,998	
Tax - Use	81,671	
Total Taxes-Use/HICA/HRA	1,081,668	
Subtotal CMHSP and Tax Expenses	43,243,762	2b
Change in Cash from Operating Activities		
Accounts Payable	1,601,651	
Other Liabilities	762,479	
Total Change in Cash from Operating Activities	2,364,130	
Total cash paid	46,046,199	2b
Increase (Decrease) in Cash	(4,426,998)	
Cash, Beginning Period	38,690,422	
Cash, End of Period	34,263,424	3a

Notes to Financial Statements

For the Six-Month Period Ended March 31, 2017

Please note: The Statement of Net Position contains Fiscal Year 2016 cost settlement figures between the PIHP and Michigan Department of Health Human Services (MDHHS) as well as each Community Mental Health Service Program (CMHSP) Participants. Cost settlement figures were extracted from final Financial Status Report submitted to MDHHS in February 2017. Final figures may vary based on MSHN and each CMHSPs compliance examination.

Statement of Net Position:

1. Cash and Short Term Investments
    a) The Cash Chase Checking and Chase Money Market Savings accounts include $46 thousand of PA2 and $2.58 million of cash available for operations. A portion of cash available for operations will be used to cover accounts payable and taxes.
    b) The Savings ISF and Investment ISF reflect designated accounts to hold the Medicaid ISF funds separate from all other funding per the MDHHS contract. This total of $19.5 million generally offsets the Restricted for Risk Management net position account.
    c) The Savings PA2 account holds the remaining $12.1 million and is also offset by the Deferred Revenue liability account. The remaining portion of deferred revenue relates to Medicaid and Healthy Michigan cost settlement activity with the CMHSPs.
2. Accounts Receivable
    a) The amount reflects retro-active payments due to MSHN for Autism services.
    b) Due from CMHSP Participants reflect Fiscal Year 2016 CMHSP cost settlement figures. This figure also includes actual Fiscal Year 2015 balances owed to MSHN from one CMHSP.
    c) The Due from CMHSP account is used to track payments owed to MSHN from the CMHSPs for activities other than service provision and cost settlement. The balance in this account reflects amounts owed by one CMHSP for ZTS licenses. $21 thousand of this total represents the amount due for Supports Intensity Scale (SIS) assessments.
    d) Nearly $350 thousand represent Use and HICA tax return adjustment amounts due from the State of Michigan treasury. The remaining portion in Due from other governments consists of Fiscal Year 2016 PA2 payments received in Fiscal Year 2017.
    e) Due from miscellaneous balance represents a recovery owed from one provider based on compliance findings.
    f) The prepaid balance consists of security deposits for three MSHN office suites.
3. Liabilities
    a) This amount reflects amounts owed to CMHSPs for FY 2016 cost settlement amounts.

b) Accrued Benefits PTO (Paid Time Off) payable is the liability account set up to reflect paid time off balances for the employees. It also reflects the portion of March payroll expense paid in April.
c) The negative Unrestricted Net Position represents the difference between totals assets, total liabilities, and the restricted for risk management figure. This amount also relates to the regional year to date expenses on the statement of activities exceeding revenue and thus affects net position. PIHP Administrative expenses are under budget by $589 thousand.
d) This amount represents the amount of Block Grant due to MDHHS.
e) The majority of this amount is related to SUD provider payment estimates and is needed to offset the timing of payments.
f) The health insurance rebate is the amount in the accrued benefits other account. MSHN developed a new procedure for rebates and will hold this amount to offset future employee contributions related to health insurance.

Statement of Activities:

1. Revenue
    a) Medicaid Use of Carry Forward is Medicaid Savings sent to the CMHSPs that are receiving Benefit Stabilization payments to balance their 2017 budgets. The amount of Benefit Stabilization is determined by MSHN's smoothing plan for that fiscal year. We are under budget in this area because the CMHSPs requiring benefit stabilization dollars is less than the amount saved from the prior year.
    b) Medicaid Capitation – we have received $11.6 million less than the budgeted Medicaid amount. The key factor related to this variance is the use of 1115 waiver rates being used for Habilitation Supports Waiver (HSW) budgeting purposes. 1115 has not been federally approved and thus funding reflects the most recent approved HSW rates. In addition, there is currently a five-month lag in Autism payments. The final cost settlement generally occurs more than a year after the fiscal cycle. The expense side of this activity is listed under CMHSP Participant Agreements and SUD provider agreements.
    c) Local Contribution is flow-through dollars from CMHSPs to MDHHS. Typically, revenue equals the expense side of this activity under Tax Local Section 928.
    d) Interest income now reflects interest earned on investments. A change in market account has been created to record and more clearly identify market fluctuations and changes in principle for investments purchased at discounts or premiums.
    e) This is a new account created to track non-capitated payments which include Community Grant and PA2 funds.
    f) This amount represents an accrual for the expense incurred/revenue due for MSHN's Health Innovation Grant. There is an equal expense recorded in Other Contractual Agreements.
2. Expense
    a) Total PIHP Administration Expense is currently under budget. Recurring expenses have been added to the general ledger in order to provide a clear picture of outstanding obligations. Expense budgeted for the procurement of MSHN's Managed Care Information System (MCIS) and some staff positions added to the budget have not been filled which is also adding to the favorable variance.
    b) Other contractual agreements are under budget. Recurring expenses have been added to the general ledger.
    c) HRA, HICA and Use taxes are lower than budget amounts. This condition follows the amount of revenue received which for this Fiscal Year has been less than anticipated.

Statement of Cash Flows:

1. Cash Received
    a) Represents funds received for March. Decreases in accounts receivable and deferred revenue indicate an outflow of cash which is why both accounts offset amounts received.
2. Cash Paid
    a) This amount represents cash paid for PIHP administrative expense.
    b) The total represents payments made to CMHSPs, Substance Use Disorder providers, other contractual agreements, and taxes. Cash was used for accounts payable and other liabilities.
3. Cash Balance
    a) This figure represents cash on hand at March 31, 2017.

MID-STATE HEALTH NETWORK
SCHEDULE OF INTERNAL SERVICE FUND INVESTMENTS
As of March 31, 2017

DESCRIPTION	CUSIP	TRADE DATE	SETTLEMENT DATE	MATURITY DATE	CALLABLE	AMOUNT DISBURSED	PRINCIPAL	AVERAGE ANNUAL YIELD TO MATURITY
FEDERAL HOME LOAN BANK	3130A6K71	9.29.15	10.5.15	10.5.17	10.5.16	1,000,000.00	1,000,000.00	0.730%
HARTLAND MICH CONS SCH DISTRICT	416848VT3	6.23.16	6.28.16	5.1.17	no	1,004,237.08	1,000,263.00	0.710%
JP MORGAN COMMERCIAL PAPER	46640PQL0	6.23.16	6.23.16	3.20.17	no	992,875.00	992,875.00	0.957%
JP MORGAN COMMERCIAL PAPER	46640PQL0	6.23.16	6.23.16	3.20.17	no		(992,875.00)	
FEDERAL HOME LOAN MTG	3134G9VV6	7.22.16	7.25.16	1.12.18	10.12.16	1,000,306.94	1,000,000.00	0.850%
FEDERAL HOME LOAN MTG	3134G9P43	7.13.16	7.26.16	1.26.18	10.26.16	1,000,000.00	1,000,000.00	0.750%
FEDERAL HOME LOAN MTG	3134G9N60	7.18.16	7.27.16	7.27.18	10.27.16	1,000,000.00	1,000,000.00	1.000%
FEDERAL HOME LOAN MTG	3134G9Q83	7.21.16	7.27.16	7.27.18	1.27.17	1,000,000.00	1,000,000.00	0.750%
FEDERAL NATIONAL MTG ASSOC	3135G0M75	7.13.16	7.27.16	7.27.18	7.27.17	1,000,000.00	1,000,000.00	0.875%
LAKEVIEW MI SCHOOLS	512264HJ4	6.28.16	7.1.16	5.1.17	no	1,044,843.33	1,003,724.00	0.600%
NORTH BRANCH MI SCHOOLS	657740FP6	7.14.16	7.27.16	5.1.19	no	635,115.60	633,878.00	1.450%
MICHIGAN ST GO SCHOOL	5946106V4	8.15.16	8.18.16	4.15.17	no	1,031,638.33	1,001,221.00	0.501%
FEDERAL HOME LOAN MTG	3130A9AH4	8.24.16	9.6.16	9.6.18	12.6.16	1,000,000.00	1,000,000.00	1.000%
JP MORGAN INVESTMENTS							10,639,086.00	
JP MORGAN CHASE SAVINGS							8,660,416.18	0.080%
							$ 19,299,502.18	

Mid- State Health Network

FY2016 Medicaid Savings based on Final Financial Status Report (FSR)

CMHSP	FY2016 PEPM Medicaid Revenue*	Benefit Stabilization Revenue	24/7/365 Access Revenue	Total Revenue sent to CMHSPs	FY2016 Final FSR Expenses to MSHN	FY2016 Final 24/7/365 Expenses	Contribution to (Use of) Savings
	Column A	Column B	Column C	Column D (A+B+C)	Column E	Column F	Column G (D-E-F)
Bay-Arenac	32,827,518	3,482,456	175,000	36,484,974	35,031,141	186,316	1,267,517
CEI	80,406,854	-	539,282	80,946,136	77,289,414	539,282	3,117,440
Central Michigan	73,297,240	-	312,733	73,609,973	71,600,335	77,689	1,931,950
Gratiot	10,074,448	-	66,000	10,140,448	9,026,831	66,000	1,047,617
Huron	7,358,833	729,490	100,000	8,188,323	7,636,038	65,494	486,791
The Right Door	11,062,564	-	90,000	11,152,564	9,502,593	23,228	1,626,743
LifeWays	50,103,274	-	252,000	50,355,274	51,837,053	252,000	(1,733,779)
Montcalm	13,341,238	-	60,000	13,401,238	11,522,495	60,000	1,818,743
Newaygo	11,188,779	-	65,000	11,253,779	9,295,600	65,000	1,893,179
Saginaw	55,447,287	-	432,000	55,879,287	55,828,611	360,024	(309,348)
Shiawassee	15,427,702	-	80,000	15,507,702	15,377,847	34,300	95,555
Tuscola	13,739,122	332,838	35,000	14,106,960	14,350,566	42,843	(286,449)
SUD Services	6,974,589	-	-	6,974,589	9,000,554	-	(2,025,965)
MSHN Administration	4,343,063	-	-	4,343,063	4,157,916	-	185,147
MSHN Taxes	35,397,843	-	-	35,397,843	35,397,843	-	-
Use of Internal Service Fund	9,424,633	-	-	9,424,633	-	-	9,424,633
Autism above fee screens	-	-	-	-	3,150,801	-	(3,150,801)
Total	430,414,989	4,544,784	2,207,015	437,166,788	420,005,638	1,772,176	15,388,974

*Medicaid revenue includes B, B3, HSW, DHS Incentive Payments, and MIChild

**CMHSP Medicaid expense less reported 1st and 3rd party collections

Beginning Balance Medicaid Savings	7,066,680
Use of Benefit Stabilization	(6,751,799)
Net Increase to Medicaid Savings	15,388,974
Anticipated Ending Balance Medicaid Savings	**15,703,855**
Medicaid Revenue	430,414,989
HMP Revenue	41,717,811
Total Medicaid & HMP Revenue	472,132,800
Medicaid Savings as % of Total Revenue	3.3%
Maximum Savings % Allowed by MDHHS	7.5%
Maximum Savings $ Allowed by MDHHS	35,409,960

Mid-State Health Network

FY2016 Healthy Michigan Plan Savings based on Final Financial Status Report (FSR)

CMHSP	FY2016 PEPM HMP Revenue	Benefit Stabilization Revenue	Other HMP Revenue	Total Revenue sent to CMHSPs	FY2016 Final FSR Expenses	Contribution to (Use of) Savings
	Column A	Column B	Column C	Column D (A+B+C)	Column E	Column F (D-E)
Bay-Arenac	2,448,296	868,055	-	3,316,350	3,267,821	48,529
CEI	8,348,516	-	-	8,348,516	6,410,880	1,937,636
Central Michigan	5,175,330	-	-	5,175,330	6,307,888	(1,132,558)
Gratiot	694,771	-	-	694,771	1,113,219	(418,448)
Huron	514,072	177,236	-	691,308	1,107,165	(415,857)
The Right Door	930,073	-	-	930,073	735,583	194,490
LifeWays	3,841,318	634,293	-	4,475,611	4,997,136	(521,525)
Montcalm	1,227,021	-	-	1,227,021	1,821,075	(594,054)
Newaygo	1,007,884	-	-	1,007,884	1,236,598	(228,714)
Saginaw	4,390,874	-	-	4,390,874	4,475,803	(84,929)
Shiawassee	1,226,573	-	-	1,226,573	1,268,947	(42,374)
Tuscola	1,108,267	-	-	1,108,267	1,009,362	98,905
SUD Services	7,773,338	-	-	7,773,338	10,664,792	(2,891,454)
MSHN Administration	492,484	-	-	492,484	833,933	(341,449)
MSHN Taxes	2,538,994	-	-	2,538,994	2,538,994	-
Total	41,717,811	1,679,583	-	43,397,394	47,789,195	(4,391,801)

Beginning Balance HMP Savings	15,572,991
Use of Benefit Stabilization	(1,679,583)
Net Use of HMP Savings	(4,391,801)
Estimated Ending Balance HMP Savings	9,501,607
Less: Transfer to ISF	1,644,646
Estimated Ending Balance HMP Savings	**7,856,961**
Medicaid Revenue	430,414,989
HMP Revenue	41,717,811
Total Medicaid & HMP Revenue	472,132,800
HMP Savings as % of Total Revenue	2.0%
Maximum Savings % Allowed by MDHHS	7.5%
Maximum Savings $ Allowed by MDHHS	35,409,960

Background:

Please see the attached Action Summary and Proposed Plan (Item 8.1) and Exhibits A-F (Items 8.2-8.7)

Recommended Motion:

MSHN Administration, with the support of the MSHN Operations Council, is requesting that the Mid-State Health Network Board of Directors approve the Long-Term Management Plan as presented in the attached Action Summary, and authorize and direct its Chief Executive Officer to implement the plan, enforce the pertinent conditions, monitor and report to the Board on the status of the plan.

MSHN
Mid-State Health Network

Community Mental Health Member Authorities

Bay Arenac Behavioral Health
•
CMH of Clinton.Eaton.Ingham Counties
•
CMH for Central Michigan
•
Gratiot Integrated Health Network
•
Huron Behavioral Health
•
The Right Door for Hope, Recovery and Wellness (Ionia County)
•
LifeWays CMH
•
Montcalm Care Center
•
Newaygo County Mental Health Center
•
Saginaw County CMH
•
Shiawassee County CMH
•
Tuscola Behavioral Health Systems
•

Board Officers

Mary K. Anderson
Chairperson

Edward Woods
Vice-Chairperson

James Anderson
Secretary

MID-STATE HEALTH NETWORK
ACTION SUMMARY AND PROPOSED PLAN

$4M CASH ADVANCE REQUEST
FROM SAGINAW COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

MAY 2, 2017

BACKGROUND:

As a result of FY 15 (FYE 09/30/15) cost settlement activity, Saginaw County Community Mental Health Authority ("SCCMHA" or "Saginaw") owed Mid-State Health Network ("MSHN") approximately $7.8M. This amount was owed because MSHN provided revenue in excess of Saginaw's qualified Medicaid and Healthy Michigan Plan (HMP) expenses (Exhibit A, page 7). These amounts were never in dispute. In November 2016, MSHN implemented an Autism Cost Settlement Plan across the region. As it related to Saginaw, and as directed by the MSHN Executive Committee, the FY16 Autism Cost settlement amount of approximately $3.3M due to Saginaw was netted against the $7.8M cost settlement amount due to MSHN, reducing the cost settlement obligation due from Saginaw to MSHN to approximately $4.2M. As a result of FY 16 (FYE 09/30/16) cost settlement activity, MSHN owed Saginaw approximately $991K, reducing the outstanding Saginaw cost settlement amount due to MSHN to approximately $3.2M.

Under date of February 28, 2017 (Exhibit B, page 8), Saginaw and MSHN came to agreement on terms for resolution of the outstanding cost settlement obligation of Saginaw to MSHN in the amount of approximately $3.2M. The terms of that agreement require repayment of this amount by 09/30/2017. This amount remains outstanding and payable. The first payment of $460K was made as scheduled in March 2017.

Under date of March 15, 2017 (Exhibit C, page 10), SCCMHA formally requested a cash advance from MSHN in the amount of $4M (Four Million Dollars) to assist with addressing its cash flow crisis. The letter indicates there are over $4M in past due balances owed to Saginaw vendors aged between 26 and 60 days (past due). Saginaw's letter indicates the need for cash, not forgiveness of cost settlement payments.

It is a contractual responsibility of MSHN as a Pre-Paid Inpatient Health Plan (PIHP) – and a federal Medicaid Managed Care Rule - to ensure that provider "clean claims" are paid within 30 days (90% standard). MSHN delegates this function to its CMHSP participants. As with all delegated functions, the PIHP remains responsible for CMHSP performance of those functions. It is also important to note that our region is in compliance with the 90% "clean claim" payment standard, however MSHN must ensure that all providers in the region are paid in a timely manner for services provided in good faith. Similarly, it is also important to understand that stability in the contracted provider network as well as the direct service operations of Saginaw, and all CMHSPs, is a significant local and PIHP-level risk management concern. As major service providers, payroll and related obligations are as important as provider/vendor payment obligations.

Other communications from Saginaw to Mid-State Health Network (MSHN) acknowledge that the Medicaid and HMP funding provided by MSHN to Saginaw is adequate to service demand; thus acknowledging that the issue is not a funding/revenue adequacy concern but a cash concern.

Saginaw has provided to MSHN an aged payables report through 02/24/2017 and a partial list of outstanding balances associated with, and copies of, letters from Saginaw-contracted providers to SCCMHA expressing concern about and documenting hardship experienced because of SCCMHA's lack of timely payment through 03/17/17. Saginaw issued a written communication to it's provider network dated 03/21/2017 (Exhibit D, page 11).

Saginaw requested a meeting with the Michigan Department of Health and Human Services, Behavioral Health and Developmental Disabilities Administration officials. The meeting was held on March 17, 2017 and included four state officials, Saginaw's CFO and CEO, and MSHN's CFO and CEO. The meeting covered a number of topical areas relating to SCCMHA's cash position, the role of current autism service financing on cash flow problems experienced by SCCMHA, and potential solutions. The result of this meeting, in relevant part, is that the MDHHS reiterated that risk management, of which cash flow and availability are only two aspects, is the responsibility of the PIHP, in this case MSHN. MDHHS expressed that the PIHP is accountable and responsible for ensuring that regulations pertaining to timely payment of clean claims to providers regularly and consistently occurs, without regard to which entity performs the function.

CONTEXT

Under date of August 24, 2016 (Exhibit E, page 12), Saginaw detailed its cash flow concerns in a letter to the Michigan Department of Health and Human Services, Bureau of Community Based Services, Behavioral Health and Developmental Disabilities Administration. The letter is instructive as to the many factors that have converged to create the current cash flow crisis being experienced by Saginaw CMHSP. Those factors will not be reviewed here as the history, at least under present circumstances, is less important than the present.

Saginaw has expressed inability to meet payroll obligations in its direct service operations (during the month of March 2017) and has also provided copies of more than 20 letters from providers that are owed significant sums from Saginaw. This at a time when Medicaid Health Plan rhetoric threatens our system of service delivery, financing and management, and the 298 process unfolds in public forums, including the legislature. While ensuring that provider payments occur within established regulatory timeframes is the predominant and overriding compliance concern for the region, public perception of fiscal viability, effective stewardship and effective provider system financing warrants mention as it bears on context.

MSHN policies, in particular the "Cash Management – Advances" policy (Exhibit F, page 19), authorize MSHN to make accelerated payments and cash advances. There are no dollar limits or further requirements for board approvals. However, the MSHN Board of Directors has expressed concern about the role of MSHN in financing its CMHSP participants outside of the financing obligations of the MSHN/CMHSP Operating Agreement. Because of this, the MSHN Chief Executive Officer has determined that the Board of Directors should be presented with the question of whether to provide SCCMHA with the remedy requested.

REGIONAL SOLUTION FINDING

The Mid-State Health Network Operations Council consists of the Chief Executive Officers of each of the twelve Community Mental Health Services Programs of the region and the MSHN CEO and Deputy Director. In a meeting on March 20, 2017, the background facts and context reviewed above were discussed at length. The Operations Council:

- agrees with MSHNs assessment that the cash flow crisis at SCCMHA is a significant regional risk management issue and it is the role of MSHN to manage risk within the region;
- agrees that it is the responsibility of the MSHN to ensure delegated functions are performed by CMHSPs in compliance with contractual and regulatory requirements;
- agrees that the current MSHN Finance Policy on "Cash Management – Advances" is applicable to the situation at hand;
- agrees with MSHN that the accelerated payment option delineated in the "Cash Management – Advances" policy may be used, at the option of MSHN, to bridge cash requirements until action by the MSHN Board of Directors;
- agrees with MSHN that the requested resolution (i.e., cash advance) should be structured contractually between MSHN and SCCMHA with contingencies or requirements that protect the MSHN and thus the region, mitigate risk and prevent instability by requiring that SCCMHA undergo a special financial consultation/review focused on addressing and rectifying the underlying causes of the apparently structural and seemingly worsening cash flow problem.

The Operations Council requested that MSHN confirm that there is a process, accessible by all CMHSPs who may now or in the future find themselves in similar cash flow circumstances. MSHN confirms that the Cash Management – Advances" policy is available to and accessible by all CMHSPs. MSHN will develop a companion procedure that includes the following key elements:

- MSHN will consider cash advance requests, per the MSHN Cash Management – Advances policy, in amounts under 5% of total MSHN revenue (Medicaid, HMP and Autism, combined) provided to the CMHSP.
    - Consideration will be per the terms of the MSHN Cash Management-Advances policy (assessment against regional cash requirements, MSHN cash requirements, bank balances, projected expenses and all other relevant factors).
    - MSHN reserves the right to request additional information, per established policy, and to render a decision in its sole discretion, per established policy.
- Cash advance requests equal to or exceeding 5% of annual CMHSP revenues (Medicaid, HMP and Autism, combined) will be presented by the MSHN CEO to the Operations Council for input. The MSHN CEO will use this input and prepare documents for consideration by the MSHN Board of Directors.
    - MSHN will maintain its ability to manage regional risk, its own financial obligations to the region's CMHSP participants and its payment obligations to its directly contracted provider network or suppliers.
    - The MSHN CEO will consider the input of the Operations Council assessed against regional cash requirements, MSHN cash requirements, bank balances, projected expenses and all other relevant factors.
    - The MSHN CEO will prepare a recommendation and place the question before the Board of Directors for disposition.
- In all cases, if a single or multiple cash advance requests exceed the amount of funds available, MSHN will apportion cash advances on the basis of the percentage of revenue that each CMHSP has of total regional revenue applied against available funds assuming all criteria and conditions are met. Exceptions are by MSHN board action only.

SHORT TERM MANAGEMENT

Saginaw's 03/15/17 letter indicates that its cash requirements are immediate in order to meet payroll obligations and past due provider payment requirements. MSHN proceeded under the MSHN Cash Management – Advances policy authority governing accelerated payments as further described below.

> Accelerated payments are defined as "funds requested by a CMHSP participant and distributed prior to MSHN's receipt of Medicaid, Healthy Michigan Plan, Habilitation Supports Waiver or Autism capitation payments from Michigan Department of Health and Human Services. Typically, this payment is due to the CMHSP, it is simply being requested that MSHN provide the funds on an accelerated basis, which means prior to receipt of said funds by MSHN. These are typically very short-term arrangements covering a time period of several days to several weeks; these arrangements may span across to monthly reporting periods but never beyond." (MSHN Cash Management – Advances policy)

MSHN has provided accelerated payments to several CMHSPs in the past. Accelerated payments are secured against the next scheduled payment due to the CMHSP from MSHN, which is received monthly from MDHHS. While accelerated payments are drawn from MSHN operating funds, there is low impact on MSHN operations for the time frame below. While the fiscal position of MSHN can and does change, the strategy implemented did not impact MSHNs ability to meet its obligations to CMHSP participants or other regional providers or suppliers.

To meet the then-immediate cash flow requirements of SCCMHA, MSHN implemented the following accelerated payment strategy:

- For March 2017:
  - MSHN made an accelerated payment of $2M (two million dollars) on Wednesday, March 22, 2017.
  - MSHN reduced the March scheduled payment to Saginaw CMHSP by $2M, on March 24, 2017. This zeroed out the March accelerated payment.
- For April 2017:
  - MSHN made another accelerated payment of $2M (two million dollars) on Monday, March 27, 2017, one business day after the March payment reconciliation above, charged against the April scheduled payment.
  - MSHN reduced the April scheduled payment to Saginaw CMHSP by $2M, on Friday, April 28, 2017. This zeroed out the April accelerated payment.
- For May 2017:
  - MSHN made another accelerated payment of $2M (two million dollars) on Monday, May 1, 2017, one business day after the April 2017 accelerated reconciliation above, charged against the May scheduled payment.
  - MSHN will reduce the May scheduled payment to Saginaw CMHSP by $2M, currently estimated to occur on May 26, 2017. This will zero out the May accelerated payment.

Assuming board approval of the cash advance proposed in the next section, MSHN does not anticipate providing any additional accelerated payments to Saginaw CMHSP.

LONG TERM MANAGEMENT

To meet the longer-term cash requirements of SCCMHA, MSHN proposes:

- Under certain conditions (specified below), to provide the requested $4M (four million dollars) cash advance request of Saginaw CMHSP, contingent upon MSHN Board of Directors authorization. The cash advance would be for the period immediately upon approval through 09/30/2018. The MSHN Board of Directors meets on May 2, 2017. If authorized to proceed, MSHN will make arrangements to wire funds to Saginaw on May 3, 2017.
- Conditions:
    - Funds provided by MSHN to SCCMHA are SCCMHA liabilities;
    - Funds provided by MSHN to SCCMHA are callable by MSHN at any time, in the sole discretion of MSHN as required by its financing obligations and cash requirements to the region. MSHN will provide as much notice to SCCMHA as possible given the circumstances then impacting the situation. It should be noted that the cash advance funds may be recovered by MSHN through a full or partial withhold against scheduled payments.
    - Funds provided by MSHN to SCCMHA may be used only to facilitate the flow of funds for SCCMHA to meet its obligations under its contract with MSHN for Medicaid (including Autism) and Healthy Michigan – funded services and supports, including its direct service operations and payment of its contracted provider network.
    - SCCMHA must retire its aged payments obligations to its contracted providers as a priority for use of funds and shall keep MSHN informed of progress/difficulties.
    - SCCMHA must return the entire advance so that all advanced funds are on deposit at MSHN on September 30, 2017 and September 30, 2018. MSHN will return the advance to Saginaw on October 1, 2017. It should be noted that the cash advance funds may be recovered by MSHN through a full or partial withhold against scheduled payments in order to ensure compliance with these firm deadlines.
    - To protect the assets of MSHN and to prevent worsening of the cash position of SCCMHA, SCCMHA must cooperate with and undergo a special accounting review/consultation focused on cash management systems at SCCMHA to identify and correct structural factors affecting cash availability and implement a resulting plan to correct the condition(s) causing the cash flow crisis.
        - MSHN and SCCMHA have identified three mutually agreeable auditing firms to be engaged for the special review/consultation; MSHN will select one of the auditing firms.
        - MSHN, with input from SCCMHA, will define the scope of work to be completed by the auditing firm completing the special review/consultation;
        - MSHN will request a cost estimate from the selected firm after scope of work has been finalized;
        - MSHN will engage the mutually agreeable firm at MSHN expense (charged to its administrative budget) and present the contract, if it meets board approval thresholds, for approval at the earliest possible MSHN Board Meeting;
        - Selected auditing/financial consulting firm will commence work after CEO or board approval (if required) of the MSHN agreement with the firm;
        - MSHN will present work product from the special engagement to SCCMHA and develop a mutual agreeable action plan intended to remediate the underlying causes of the cash flow condition;
        - MSHN will present a summary of the work product and mutually agreeable plan of action to the MSHN Operations Council (so that CMHSP participants have benefit of any learning) and to the MSHN board (for oversight/monitoring purposes);
        - MSHN will monitor SCCMHA implementation of the action plan resulting from the review and may require progress as a condition of continued cash advance availability. Summary

monitoring reports will be provided by the MSHN CEO to the MSHN Operations Council and the MSHN Board of Directors.

RECOMMENDATION:

Among the fundamental principles upon with the Mid-State Health Network was formed and operates, commitment to ensuring that all CMHSPs in the region receive the benefit of resources to ensure consumers are served is primary. This proposal represents, and is made from the perspective of, this core value and operating philosophy.

> *"The Entity is dedicated to ensuring that equality in voice and governance exists, and that the benefit to the citizens meets Medicaid standards while being provided in ways that reflect the needs and resources of the communities in which each CMHSP Participant operates. The Entity will foster each CMHSP Participants' integration activities and locally driven work. The organization and operation of the Entity is based on a shared operating structure, using a committee-based system that creates many venues, allowing voices from across the region to be heard. It establishes certain checks and balances to ensure that governance remains balanced and equal and that the operation of the Entity is for service to the CMHSP Participants in achieving high levels of regulatory compliance, quality of service, and fiscal integrity. In these ways, the Entity exists to serve in the best interest of and to the benefit of all CMHSP Participants and their consumers." (Mid-State Health Network Operating Agreement, 2.2, Operating Philosophy)*

The region is committed to responding creatively and effectively, within the limits of our resources and the regulations under which we operate, when circumstances warrant. We have at hand a set of circumstances that represent an opportunity to ensure that beneficiaries in a part of our region continue to receive needed services and supports, and that providers who deliver care are compensated in a timely manner.

Accordingly, MSHN Administration, with the support of the MSHN Operations Council, is requesting that the Mid-State Health Network Board of Directors approve the Long Term Management plan presented above, and authorize and direct its Chief Executive Officer to implement the plan, enforce the pertinent conditions, monitor and report to the Board on the status of the plan.

Prepared and Submitted by:

Joseph P. Sedlock, Chief Executive Officer
Mid-State Health Network

C: Leslie Thomas, MSHN Chief Financial Officer
Amanda Horgan, MSHN Deputy Director

MSHN
Mid-State Health Network

Community Mental Health Member Authorities

Bay Arenac Behavioral Health
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CMH of Clinton.Eaton.Ingham Counties
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Newaygo County Mental Health Center
•
Saginaw County CMH
•
Shiawassee County CMH
•
Tuscola Behavioral Health Systems
•

Board Officers

Mary K. Anderson
Chairperson

July 20, 2016

Sandra Lindsey
Executive Director
Saginaw County Community Mental Health

Subject: Final Financial Status Report, Contract Reconciliation and Cost Settlement Fiscal Year 2014/2015

Dear Sandra:

Our review of the FY 2014/2015 Compliance examination and final financial status report (FSR) has resulted in the following contract reconciliation and cash settlement (CRCS):

Medicaid Funding Due MSHN (CMHSP) $5,031,525.50

Healthy Michigan Funding Due MSHN (CMHSP) $1,669,468

Community Grant Funding Due MSHN (CMHSP) $698,761.48

PA 2 Funding Due MSHN (CMHSP) $404,222.86

Please note that the settlement amounts presented here are subject to final cost settlement between MSHN and MDHHS.

To complete this cost settlement, a balance of $7,803,977.84 is due from Saginaw. Per established MSHN policy, please remit the balance due within thirty (30) days following receipt of this settlement letter.

Sincerely,

Leslie Thomas

Leslie Thomas
MSHN CFO

Enclosure: Medicaid, Healthy Michigan Cost Settlement Summaries
Cc: Joseph Sedlock MSHN CEO, Amanda Horgan MSHN Deputy Director

MSHN
Mid-State Health Network

Community Mental Health Member Authorities

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CMH of Clinton-Eaton-Ingham Counties
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Saginaw County CMH
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Shiawassee County CMH
•
Tuscola Behavioral Health Systems

Board Officers

Ed Woods
Chairperson

Irene O'Boyle
Vice-Chairperson

James Anderson
Secretary

February 28, 2017

Sandra M. Lindsey, Chief Executive Officer
Saginaw County Community Mental Health Authority
500 Hancock Street
Saginaw, MI 48602

FINAL AGREEMENT FOR FY15 AND FY 16 COST SETTLEMENT

Dear Ms. Lindsey:

This is in follow-up to MSHN's January 30, 2017 letter, SCCMHA's February 2, 2017 response, and our meeting at your offices on Monday, February 27, 2017. This letter offers a framework for resolution of FY 15 and FY16 cost settlement.

Our financial staffs have completed verification of all FY 16 cost settlement questions. Saginaw County Community Mental Health Authority's (SCCMHAs) request for FY15 cost settlement was to net FY16 cost settlement to arrive at a final FY 15-FY16 cost settlement amount. Following is the final reconciliation:

FY 15 Cost Settlement Activity:	
• FY15 Net Amount Due to MSHN as of 02/28/2017	$4,214,649.30
FY16 Cost Settlement Activity:	
FY 16 Net Medicaid Due to Saginaw	309,347.92
FY 16 Net HMP Due to Saginaw	84,929.22
FY 16 Net Autism Due to Saginaw	597,351.42
• FY 16 Net Cost Settlement Due to Saginaw	991,628.56
FY15 and FY16 Net Cost Settlement Activity:	
FY15 and FY16 Net Amount Due to MSHN:	$3,223,020.74

As discussed throughout our deliberations and affirmed at our 02/27/17 meeting, MSHN requires that the net outstanding amount be paid by the end of FY17. To accomplish this, we agreed to the following plan:

SCCMHA will make monthly payments to MSHN in the amount of $460,431.53, beginning in March 2017 and continuing for each of the remaining seven months of the fiscal year such that the entire amount is retired by 9/30/2017. SCCMHA has agreed to remit amounts due to MSHN at any time during the month the payment is due. Should a payment not be made, MSHN will withhold the payment amount from MSHNs next remittance to SCCMHA.

(Continued)

MSHN

Mid-State Health Network

Community Mental Health Member Authorities

Bay Arenac Behavioral Health

•

CMH of Clinton,Eaton,Ingham Counties

•

CMH for Central Michigan

•

Gratiot Integrated C Network

•

Huron Behavioral Heaiu

•

The Right Door For Hope, Recovery and Wellness (Ionia)

•

LifeWays CMH

•

Montcalm Care Network

•

Newaygo County Mental Health Center

•

Saginaw County CMH

•

Shiawassee County CMH

•

Tuscola Behavioral Health Systems

Board Officers

Ed Woods
Chairperson

Irene O'Boyle
Vice-Chairperson

James Anderson
Secretary

It is our mutual intention that these terms reflect our agreement. If you concur, please sign a copy of this letter indicating same and return to my attention by March 6, 2017. If there is need for additional discussion of this issue, please connect with me and we'll schedule a convenient time to work through remaining items.

Agreed to on behalf of Mid-State Health Network:

Joseph P. Sedlock,
Chief Executive Officer

Agreed to on behalf of Saginaw County Community Mental Health Authority

Sandra Lindsey,
Chief Executive Officer

C: Leslie Thomas, Chief Financial Officer, MSHN
Delores Ford-Heinrich, Chief Financial Officer, SCCMHA

SAGINAW COUNTY
COMMUNITY MENTAL
HEALTH AUTHORITY

March 15, 2017

Mid-State Health Network
Joseph P. Sedlock, CEO
530 W. Ionia St, Suite F
Lansing, MI 48933

Dear Joe,

I am writing to request a $4 million cash advance to remedy our cash flow crisis. As you are aware, our cash flow challenge continues to worsen and as of this week there are over $4 million in past due balances including payment owing to service providers who have submitted clean claims plus all other vendor invoices. The delinquent accounts are anywhere between 26 – 60 days past due.

As you know this concern is not new but has been exacerbated by the growth of ASD service expense and our obligation to repay MSHN in good faith for the 2016 cost settlement which also included repayment of the 2015 cash advance.

Our need for cash is urgent and further complicated by a three payroll month for SCCMHA in March. Our request is for cash not forgiveness of cost settlement payment.

I respectfully request this cash advance as quickly as possible.

Sincerely,

Sandra M. Lindsey, CEO

Cc: SCCMHA Board of Directors
Delores Ford-Heinrich

SAGINAW COUNTY
COMMUNITY MENTAL
HEALTH AUTHORITY

To: Service Providers and Business Associates of SCCMHA

From: Sandra M. Lindsey, CEO

Re: Cash Flow Concerns and Claims / Invoice Payments

Date: March 21, 2017

I am writing today to inform you that I am aware of the challenges placed upon your organization resulting from slower and late payments to you in recent months from the Saginaw County Community Mental Health Authority. We are working on remedies with the senior officials at the regional PIHP to our cash challenges and are doing our best to address this problem as we have cash available to do so.

Clean claims and invoices for consumer services are the priority for payment with the most aged and oldest claims and invoices being paid first. Other invoices are being prioritized based upon the age of the claim or invoice to move back to the stated specified 30 day payment parameter.

If you have written to me outlining your concerns and hardship, thank you; I have read your letters and have taken them with me to both state and regional officials to describe the urgency of a remedy to allow us to pay your claim or invoice timely. If you have not written to me, no worries about needing to do that, I am looking at the aged claims and invoice list daily.

SCCMHA always having enjoyed such mutually beneficial relationships with our provider network and business associates, and has never experienced such severe cash flow difficulties as we have in recent months. As remedies for improved cash access move forward you will begin to see us catching up with what we owe you.

Again, I apologize for the delays in payments to your organization. This challenge is a new one to us and I wanted you to know how much we appreciate your patience.

Please do continue to communicate to us about this matter as you need to do so; the fiscal leadership here is communicating with your staff routinely about planned payments as they are able to project such. You should also feel free to contact Ginny Reed or Matt Briggs at any time on this subject with questions as well until we have a resolution to our current cash flow challenges.

Cc: Ginny Reed, Delores Ford-Heinrich, Sue McCrea, Matt Briggs

SAGINAW COUNTY
COMMUNITY MENTAL
HEALTH AUTHORITY

August 24, 2016

Tom Renwick, Director
Bureau of Community Based Services
Michigan Department of Health & Human Services
320 S. Walnut St – 5th Floor
Lansing, MI 48913

RE: Saginaw CMH Authority Cash Flow Concerns

Dear Tom,

I am writing to you as a follow-up to our meeting earlier this month concerning the Saginaw CMH Authority's (SCCMHA) urgent cash flow concerns. This letter, the attached graphic and related narrative explanation will provide you with the detail about our current situation. It is my hope that a review of the information I am providing will help you to understand our dire need for cash.

To reiterate the themes from our last discussion, this problem is not a Medicaid or Healthy Michigan funding problem. Though the General Fund allocation to SCCMHA greatly reduced in this last year, is a contributing factor to the problem, hence our recent 236 Transfer request, the magnitude and complexity of the problem can be found across all state revenue sources.

This letter should also serve as official notice that SCCMHA cannot pay clean claims within 30 days as the MDHHS contract specifies. If we could solve this problem on our own with resources at our disposal we would as we always have, done so. The irony of the situation is that even in our worst funded year in the past as a PIHP we had more access to cash than we do now.

Our affiliation with the Mid-state Health Network (MSHN) in 2014 benefited our organization as their Medicaid rates were much higher than those we received as a former PIHP. We had hoped that finally SCCMHA would receive equitable funding to meet the needs of eligible beneficiaries in our county. But budgeted revenue without the adequate cash to spend has not only limited our ability to improve services and access commensurate to our funding, but is now threatening our ability to cost settle 2015 with MSHN and to pay our extensive network of service providers many of which are small local organizations unable to wait for payment with little extra cash of their own.

The attached information tells a story of cash flow concerns over a ten year plus period of time from when we were an underfunded PIHP to our present status as a CMHSP partner in the Mid-State Health Network. There is rich detail in the attachments to this correspondence but there are also several key themes that characterize our present cash circumstance that bear repeating to you that I described at our meeting on August 3rd.

Our status as you know changed from PIHP to CMHSP in 2014. At that time all of our Medicaid Savings ($2.3 million) and Internal Service Fund ($3.4 million) dollars were transferred to MSHN. The availability of Medicaid Savings was especially critical in addressing the need for cash when we were a PIHP and our need for cash has not changed. These were also funds that made us attractive to lenders. This is important as at present despite our best efforts, no financial institution will extend lines of credit to us equal to our monthly cash needs.

In 2012 way before we knew we would no longer be a PIHP and continue to have direct access to our Medicaid Savings, manage our own QAAP and HRA funds and our ISF, we had finally gotten to a financial position where we could attend to our deferred maintenance building needs and build infrastructure for our growing program. This is important history as real property acquisition and tangible purchases over $5,000 trigger depreciation which is also now working against us and adding to our financial concerns. We have always had some level of depreciation on our books, but the level of depreciation increased significantly in 2012. The depreciation effect was magnified then and adds to our accounting challenges today and also impacts cash flow.

Another theme is the change in the timing of capitation and related MDHHS payments to MSHN and subsequently to us. Believe me when your cash is short, every day of a delay in payment matters. The most serious payment delays are those funds owed us from MDHHS for services to children and youth with disorders on the Autism Spectrum. As you know, we receive ASD payment in three forms at present. First there is the interim payment which occurs 5 months after the month it is earned systemically working against cash flow. Secondly, the cost settlement for 2015 is now 11 months past when the expenses were incurred and the cost settlement for 2016 is not far off. In total we estimate in MDHHS and MSHN cost settlement amounts we are owed $1.5 million through June of 2016.

The last theme to address is General Fund. Over the years as you will see from the attachments, the reduction in GF has greatly impacted our negative cash flow. There is the obvious concern for the reduced amount and the priorities for using the small amounts of GF revenue we have left to cover spend downs for Medicaid beneficiaries, indigent pharmacy costs and service costs to persons that are

uninsured, under insured commercially and those falling off Healthy Michigan. Just as important to understand though is the impact that the removal of the GF portion of funding from CMHSPs for services in State facilities. The change this year in the removal of Purchase of State Services (POSS) funds has added to cash flow problems. This is because the State was always way behind in issuing their state hospital billings and the GF we held to pay these bills assisted cash flow in the interim until bills were received and paid.

The attached graphic which intentionally illustrates us falling off a proverbial cash flow cliff has been a gradual fall until this year. We managed this problem remarkably well as an under funded PIHP for more than a decade. However, at present the remedies to assist us that we have used in the past are no longer available and additional changes in the payment calendar and late ASD cost settlement reconciliation have kicked us over the cliffs edge.

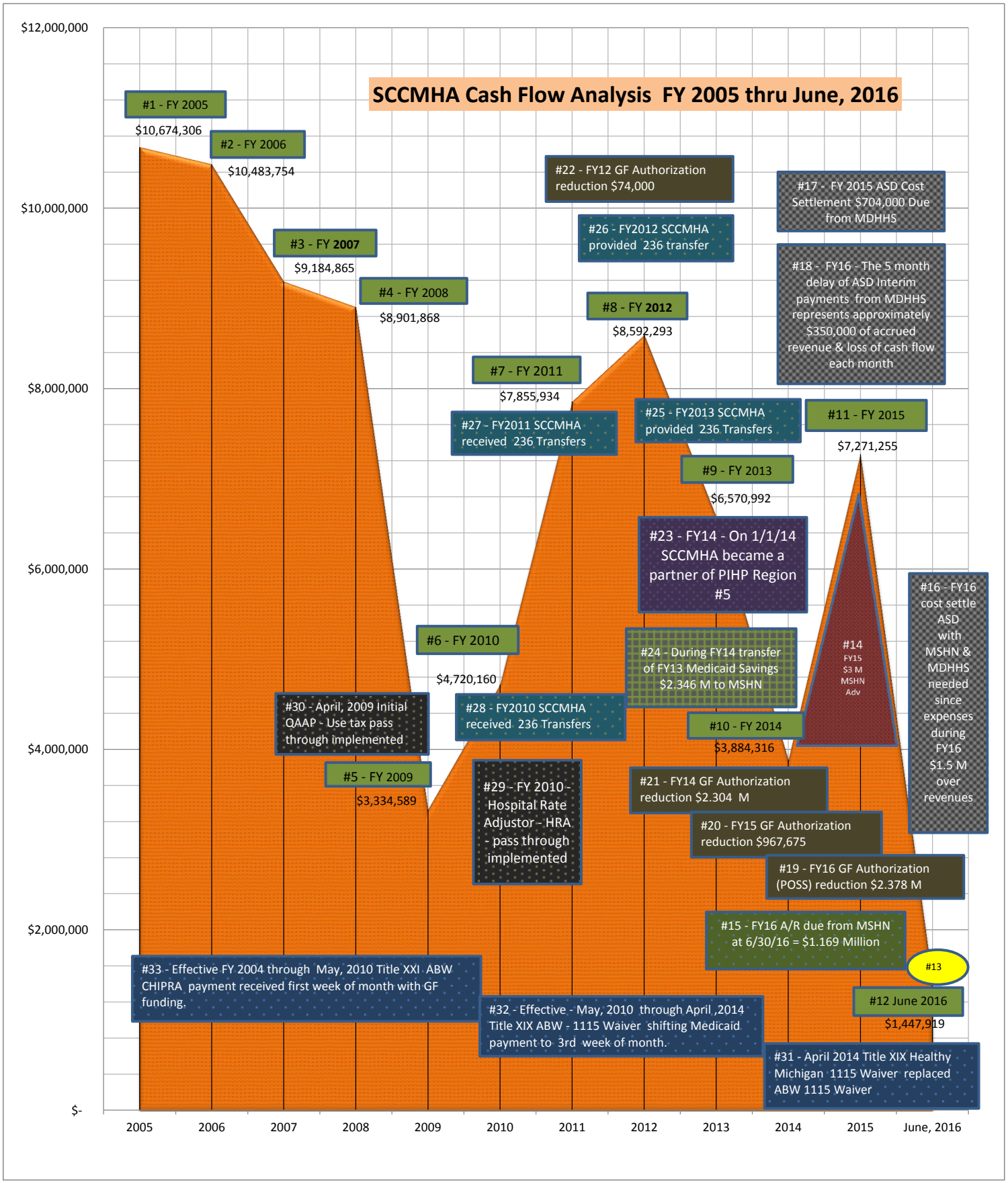
These circumstances are enormously stressful and again, we will be in an emergency situation once we cost settle with MSHN for FY 2015 without cash flow assistance. I look forward meeting with you about this packet of information and a remedy as soon as possible.

Sincerely,

Sandra M. Lindsey, CEO

Cc: Lynda Zeller
Joe Sedlock
Delores Ford Heinrich
SCCMHA Board of Directors

Attachments


SCCMHA Cash Flow Analysis FY 2005 thru June, 2016
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
June, 2016
#1 - FY 2005
$10,674,306
#2 - FY 2006
$10,483,754
#3 - FY 2007
$9,184,865
#4 - FY 2008
$8,901,868
#5 - FY 2009
$3,334,589
#6 - FY 2010
$4,720,160
#7 - FY 2011
$7,855,934
#8 - FY 2012
$8,592,293
#9 - FY 2013
$6,570,992
#10 - FY 2014
$3,884,316
#11 - FY 2015
$7,271,255
#12 June 2016
$1,447,919
#13
#14 FY15 $3 M MSHN Adv
#15 - FY16 A/R due from MSHN at 6/30/16 = $1.169 Million
#16 - FY16 cost settle ASD with MSHN & MDHHS needed since expenses during FY16 $1.5 M over revenues
#17 - FY 2015 ASD Cost Settlement $704,000 Due from MDHHS
#18 - FY16 - The 5 month delay of ASD Interim payments from MDHHS represents approximately $350,000 of accrued revenue & loss of cash flow each month
#19 - FY16 GF Authorization (POSS) reduction $2.378 M
#20 - FY15 GF Authorization reduction $967,675
#21 - FY14 GF Authorization reduction $2.304 M
#22 - FY12 GF Authorization reduction $74,000
#23 - FY14 - On 1/1/14 SCCMHA became a partner of PIHP Region #5
#24 - During FY14 transfer of FY13 Medicaid Savings $2.346 M to MSHN
#25 - FY2013 SCCMHA provided 236 Transfers
#26 - FY2012 SCCMHA provided 236 transfer
#27 - FY2011 SCCMHA received 236 Transfers
#28 - FY2010 SCCMHA received 236 Transfers
#29 - FY 2010 - Hospital Rate Adjustor - HRA - pass through implemented
#30 - April, 2009 Initial QAAP - Use tax pass through implemented
#31 - April 2014 Title XIX Healthy Michigan 1115 Waiver replaced ABW 1115 Waiver
#32 - Effective - May, 2010 through April ,2014 Title XIX ABW - 1115 Waiver shifting Medicaid payment to 3rd week of month.
#33 - Effective FY 2004 through May, 2010 Title XXI ABW CHIPRA payment received first week of month with GF funding.

Saginaw Community Mental Health Authority
Cash Flow Analysis FY2005 thru June, 2016

In order to explain now the various policy decisions related to payment have impacted cash flow for the community mental health system over the past 10 years, attached is a chart that provides a quick visual overview of Saginaw's cash flow situation.

Area Chart – SCCMHA Cash Flow Analysis FY2005 thru June 2016

FY2015 through FY2016 Cash & Cash Equivalent Balances

Shown in the area chart titled – "SCCMHA Cash Flow Analysis FY2005 thru June, 2016", are the changes in cash flow that have depleted SCCMHA's cash and cash equivalent accounts. The location of each fiscal year on the area chart is identified with a green box (#1 thru #12). The amounts shown below each green box represents the balance of cash & cash equivalents recognized at year end.

Current Balance

The yellow dot (#13) represents our cash and cash equivalents accounts, as of June 30, 2016. As shown by the chart, the balance in these accounts went from over $10,000,000.00 in FY2005 to less than $2,000,000.00, as of June, 2016.

FY2015 MSHN Cash Advance

During FY2015 MSHN provided SCCMHA an advance of $3 million (#14). MSHN has allowed SCCMHA to retain these advanced funds temporarily during FY2016, until SCCMHS's cash flow situation is resolved.

FY2014 Medicaid ISF

Saginaw CMH joined Region #5 – Midstate Health Network in January 2014 (#23). As a result of this change in PIHP responsibility, Saginaw transferred the Medicaid ISF contributions from FY2012 and FY2013 to MSHN during FY2014, which isn't represented on the chart, but affects our current standing. Even though these funds ($3.413 M) were reserved and held in a separate account at our financial institution, it represented to the financial institution financial stability.

FY2014 Medicaid Savings

During FY2014, Saginaw transferred to MSHN the Medicaid Savings that was earned during FY2013 (#24), the last year SCCMHA was a PIHP. Since these funds were held in our general cash account, the reduction in cash as a result of transferring these funds to MSHN was approximately $2.346 Million.

A/R Due from MSHN

Since Medicaid and Healthy Michigan capitation payments to the CMH system is issued by MDHHS during the 4th week of the month, Saginaw recognizes a balance due from MSHN at each month end. This accrued revenue and receivable has been recognized as due from MSHN each month since 2014. At the end of June, 2016, the balance due to SCCMHA from MSHN was approximately $1.1 million (#15). With unexpected delays, this accrual has been as high as $4.5 – $5.4 million in some months.

Autism - ASD

Since interim payments are issued for the Autism program five months after the month that they represent, this impacts our cash flow (#18). Each month we recognize an additional revenue accrual of $90,000/month or $450,000/for 5 months as part of our current year revenue. Also, since FY2015 ASD has not been cost settled with MSHHS, Saginaw has recognized a balance due from MDHHS in the amount of $704,000 (#17) that has been on our books since FY2015.

Additionally, since the 1st Qtr. FY2016 will be cost settled with MDHHS and the 2nd, 3rd, and 4th Qtrs. will be cost settled with MSHN - but not until 1st or 2nd Qtr. of FY2017 (#16) - the current approximately $1.5 million deficit in ASD, creates added cash flow problems.

GF - Reduction of Authorization

Saginaw has seen a significant reduction in general fund authorization over the past five years. During FY2012 SCCMHA lost approximately $74,000 (#22), in FY2014 the GF reduction was $2.304 million (#21), in FY2015 the reduction was $967,675 (#20), and in FY2016 the reduction was $2.378 million (#19). This has removed the cash flow that previously was recognized as the cushion for other payment delays and unplanned events. SCCMHA's remaining balance of GF authorization for FY2016 is $2.660 million. This is a loss of 70% of our GF authorization in the last five years.

GF – Purchase of State Services (POSS)

During FY 2016, the portion of our prior general fund budget that was identified for POSS was removed from our GF authorization (#16). Since the expenses covered with these funds were also removed, it would seem there would be no impact to the system. However, the system has historically used these funds to buffer the impact of depleting cash flow, since the billing of POSS was much delayed.

GF – 236 Transfers

During FY2010 (#28) and FY2011 (#27) Saginaw was the recipient of 237 transfers. During FY2012 (#26) and FY2013 (#25) Saginaw was the provider of 236 transfers. The chart shows how and why these transfers were important during these earlier years.

ABW

Delayed pay cycles and changes in waiver funding has also impacted the system. As an example, Title XXI ABW (#33) was received in the first or second week of month with payment of GF funds from FY2004 through May 2010, when it was replaced with the 1115 Waiver and became part of the Medicaid settlement. During this time, at year end surplus ABW funds became local revenue and carried with it flexibility and availability needed for cash flow.

With the new 1115 waiver effective May 2010 through March 2014 (#32), revenues shifted from the CMH GF contract to the PIHP contract, which also moved cash flow from first or second week to the Medicaid payment in the second or third week of the month.

During FY2014, the ABW benefit ended, when the Healthy Michigan benefit became effective (#31). These funds are now still paid with Medicaid, but during the 4th week of month. Surplus funds are cost settled with Medicaid and surplus funding are returned to PIHP and held in an ISF.

QAAP & HRA

As the PIHP, SCCMHA received both QAAP (#30) & HRA (#29), which helped with cash flow. Even though this pass through funding from MDHHS isn't available to PIHP/CMH for provision of service, these funds allowed for some flexibility in the cash flow – as funds are received throughout the year, and payments to either the State of Michigan or the local hospitals are paid quarterly. SCCMHA lost the flexibility of these funds as of 1/1/14.

Following are events that are not specifically shown in this chart:

Increased Revenue

Becoming a partner of Region #5 – Midstate Health Network has afforded SCCMHA the opportunity to receive increased capitation revenues as a result of a higher geographic factor. In order to accommodate all the members of the new Region #5, Midstate Health Network has implemented a benefit stabilization plan to smooth the effects on individual Region #5 CMH budgets, over a five year period. This smoothing allows for the flexibility needed for CMHs to effectively plan for either increased or reduced funding. The benefit stabilization plan has been successful and continues to allow for the needed time for transition. The effects of this smoothing are not reflected in the chart.

Depreciation

CMHs that are building infrastructure find that the limitations of recognizing depreciation expense vs. capitalizing purchases, also creates cash flow issues. Since only depreciation expense can be recognized during cost settlement, the cash outlay necessary to purchase assets is lost – often placing the CMH in a situation where revenues are shown as unspent and due to the PIHP at year end. Since CMHs have no ability to hold savings, the CMH uses future year's revenues to cover the remaining depreciation expense. Cash flows will increase in future years as a result of future year depreciation expense – but it could take 25 years to recoup the cash.

Likewise, when a CMH replaces transportation vehicles – only a portion of the total expense can be recognized for cost settlement in the year of purchase. This creates a cash flow issue when the value of the 100% cash outlay to buy the assets isn't recognized as expense – leaving the CMH showing unspent revenues and possibly a balance due to the PIHP at year end.

Grant Funding

SCCMHA has been successful in acquiring federal and state grants for projects that have positively impacted the Saginaw community. Much of this funding has allowed for provision of needed services to individuals that are not eligible for CMH services through one of the capitated benefits. As a result of the lost general fund revenue, in FY2016 Saginaw has not use over $650,000 of available state and federal grant funding, because of the loss of local match.

POLICIES MANUAL

Chapter:	**Finance**		
Title:	**Cash Management - Advances**		
Policy: ☒ **Procedure:** ☐ **Version:** 1.0 **Page:** 1 of 2	**Review Cycle:** Annually **Author:** Chief Financial Officer Chief Executive Officer	**Adopted Date: TBD** **Review Date:** **Revision Eff. Date:**	**Related Policies:** Financial Management

Purpose

To establish consistent guidelines related to unplanned requests for funds from Community Mental Health Service Programs (CMHSP) Participants and the Substance Use Disorder Provider Network (SUDPN).

Policy

It is the policy of MSHN that approval of accelerated payments or cash advance disbursements are made with good internal controls and in accordance with generally accepted accounting principles (GAAP). Mid-State Health Network will consider requests for advance disbursements (accelerated payments or cash advances), as defined in this policy, within the cash flow requirements of MSHN.

Definitions – Applicable to CMHSP Participants

Accelerated Payment Definition: An *accelerated payment* is defined as funds requested by a CMHSP Participant and distributed prior to MSHN's receipt of Medicaid, Healthy Michigan Plan, Habilitation Supports Waiver or Autism capitation payments from Michigan Department of Health and Human Services (MDHHS). Typically, this payment is due to the CMHSP, it is simply being requested that MSHN provide the funds on an accelerated basis, which means prior to receipt of said funds by MSHN. These are typically very short-term arrangements covering a time period of several days to several weeks; these arrangements may span across to monthly reporting periods but never beyond.

Cash Advance Definition: A cash advance is a disbursement of funds, requested by the CMHSP, to manage short-term cash flow problems. A cash advance is for funds above budgeted current fiscal year disbursements to the CMHSP taking into consideration Medicaid and Healthy Michigan savings for benefit stabilization. Cash advances do not increase the CMHSPs current fiscal year budget nor does a cash advance carry over from one fiscal year to another.

Interim Payment Definition: An *interim payment* is the initial 85% of the current year budgeted Medicaid/Healthy Michigan Program payment sent to CMHSP participants upon MSHN's receipt of funds from MDHHS is not an advance. The *interim payment* allows CMHSP participants to receive the majority of their anticipated Per Eligible Per Month (PEPM) immediately upon receipt by MSHN. The remaining budgeted disbursement (up to 15%) due to the CMHSP is made after eligibility file process completion and is typically made within three-to-five business days of the initial interim payment.

Request Process: While MSHN reserves the right to request additional documentation/information or justification, requests for consideration under this policy must:

1. Be submitted in writing to the MSHN Chief Financial Officer and
2. Include supporting information and documentation.

Approval – CMHSP Participants

MSHN will consider all requests for accelerated payments or cash advances from CMHSP participants. MSHN will assess regional cash requirements, MSHN cash requirements, bank balances, projected expense payments and all other related factors in making a determination of whether MSHN can support the CMHSP request. MSHN reserves the right, in its sole discretion, to approve, deny, modify or otherwise make decisions based on all available information in the best interests of the region.

The CMHSP will be notified of the decision of MSHN as soon as possible but not later than 30 days after satisfactory submission of all information needed to make a decision.

Approved cash advances will be paid within CMHSP's specified "need by" date if possible or as soon as MSHN can process said request.

Repayment – CMHSP Participants

An accelerated payment made by MSHN to a CMHSP will be repaid by withholding the funds from the next scheduled interim payment due to the CMHSP once funds are received by MSHN from MDHHS. These are typically very short-term arrangements covering a time period of several days to several weeks; these arrangements may span across to monthly reporting periods but never beyond.

A cash advance may be repaid to MSHN by the CMHSP on a mutually agreeable time frame, which is as short in duration as possible, provided that all repayments must occur on or before September 30 of the fiscal year within which the advance was approved and made. CMHSPs unable to meet the repayment requirements will have their organization's outstanding cash advance balance funds deducted from the last PEPM payments of the fiscal year to meet the fiscal year-end deadline net of any amounts due to the CMHSP from MSHN.

Definitions – Applicable to SUDPN (Fee for Services/Cost Reimbursement Arrangements)

Cash Advance Definition: A *cash advance* is defined as a request for funds from contracted providers that is financed on a fee-for-service or cost reimbursement basis where service provision has not yet occurred.

Cash Advance Requests must:

1. Be submitted in writing to the MSHN CFO and
2. Include supporting information on MSHN's clinical criteria practice model form.

Approval – SUDPN (Fee for Services/Cost Reimbursement Arrangements)

MSHN will consider all requests for cash advances from MSHN contractors financed on a fee for service or cost reimbursement basis. MSHN will assess regional cash requirements, MSHN cash requirements, bank balances, projected expense payments and all other related factors in making a determination of whether MSHN can support the request. MSHN reserves the right, in its sole discretion, to approve, deny, modify or otherwise make decisions based on all available information in the best interests of the region.

The contractor will be notified of the decision of MSHN as soon as possible but not later than 30 days after satisfactory submission of all information needed to make a decision.

Approved advances will be paid within the specified "need by" date if possible or as soon after MSHN can process said request.

Repayment – SUDPN (Fee for Services/Cost Reimbursement Arrangements)

Repayments must be made within 60 days unless another mutually agreed upon time frame exists. All repayments must be made by September 30 of the fiscal year in which the advance was approved and made net of balances due to SUDPN, if any. Repayments may also be deducted from future payments to the contractor, in order to secure the repayment balance due.

General: A cash advance should be considered a rare exception and other revenue sources to cover cash flow issues should be pursued.

Applies to

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

Definitions

Generally accepted accounting principles (GAAP): A collection of commonly followed accounting rules and standards for financial reporting

Other Related Materials

Clinical Criteria Practice Model

References/Legal Authority

N/A

Change Log:

Date Of Change	Description of Change	Responsible Party
12.11.2015	New Policy	Chief Financial Officer
5.31.2016	Annual Review	Chief Financial Officer
06/20/2016	Revised, Endorsed by Operations Council	Chief Executive Officer

MSHN FY17 - Board of Directors - Balanced Scorecard

Key Performance Areas	Key Performance Indicators	Aligns with	Actual Value	Target Value	Performance Level	Target Ranges		
BETTER HEALTH	Complete SIS Assessments for adult persons with IDD	MSHN Strategic Plan FY17-FY18	58%	100%		>=75%	50%-74%	<50%
	Percent of providers who are in compliance with the HCBS Rule.	MSHN Strategic Plan FY17-FY18, MDHHS State Transition Plan	Data available in May	90%		>=76%	26%-75%	<=25%
	Child and adolescent access to primary care.	MSHN Strategic Plan FY17-FY18, MDHHS State Transition Plan; Measurement Portfolio Engaging Primary Care	79%	100%		>=75%	50%-74%	<50%
	Adult access to primary care.	MSHN Strategic Plan FY17-FY18, MDHHS State Transition Plan; Measurement Portfolio Engaging Primary Care	68%	100%		>=75%	50%-74%	<50%
	ADHD medication follow up. This HEDIS measure reports the percentage of children newly prescribed ADHD medication who received at least three follow-up visits.	Aligns with strategic plan goal to establish clear criteria and practices that demonstrate improved primary care coordination and with Performance Measure Portfolio	Initiation: 72.91% C & M: 98.38%	Increase over FY 2016 (Initiation 73.8%; C & M 99.3%)		I:74% C&M: 99%	I:70% C&M:95%	I: 65% C&M: 91%
	Increased access to Women's Specialty Programs as reflected by increase by county of women receiving WSS compared to previous fiscal year (2016).	Aligns with MSHN SUD strategic plan goals to increase WSS (p.15)	322 FY17 Q1 (on target for 1288)	5% increase in women receiving WSS (FY16 1157)		Increase by 58+	20-57	<19
	Regional SUD and MH data integration	Health Information Exchange	In Development	0		0	-	0
BETTER CARE	Penetration rate by population shall increase 10% annually.	MSHN Strategic Plan FY17-FY18, MSHN UM Plan	7.44% (through February - on target with FY16)	Improve over 2016		>=9.46%	9.45%-8.6%	<= 8.5%
	Percent of care coordination cases that were closed due to successful coordination.	MSHN Strategic Plan FY17-FY18, MDHHS State Transition Plan	33%	100%		>=50%	25%-49%	<25%
	Standard for Follow-up After Hospitalization for Adults with Mental Illness is met (FUH)	Measurement Portfolio NQF 0576	76%	58%		>=58%	0	<58%
	Standard for Follow-up After Hospitalization for Children with Mental Illness is met (FUH)	Measurement Portfolio NQF 0576	81%	70%		>=70%	0	<70%
	Address network capacity for detox services and medication assisted treatment, including availability of methadone, vivitrol and suboxone at all MAT locations	MSHN Strategic Plan FY17-18; Network Adequacy Assessment	3	6 over current		>6	3-4	<3
	Develop improved crisis and inpatient capacity for targeded acute care needs	MSHN Strategic Plan FY17-18; Network Adequacy Assessment	waiting on March 2017 data	decrease 10%		>10%	7-9%	<6%
	The number of acute inpatient stays during the measurement year that were followed by an unplanned acute readmission for any diagnosis within 30 days. (Plan All Cause Readmissions)	MSHN Strategic Plan FY17-FY18, MSHN UM Plan; Measurement Porfolio NQF 1768	21%	<=15%		<=15%	16-25%	>25%
BETTER VALUE	Define typical population service utilization patterns and methods of analysis to identify and recommend possible opportunities for remediation of over/under utilization.	MSHN Strategic Plan FY17-FY18, MDHHS State Transition Plan	In development	100%				
	Reduction in number of visits to the emergency room.	MSHN Strategic Plan FY17-FY18, MDHHS State Transition Plan	75% (21 of 28 consumers)	100%		>=75%	50%-74%	<50%
	Reduction in admits for psychiatric/physical health reasons.	MSHN Strategic Plan FY17-FY18, MDHHS State Transition Plan	71% (20 of 28 consumers)	100%		>=70%	45%-69%	<45%
	Develops a regional FI contract resulting in improved rates through standardizaiton	PNMC Annual Action Plan	100%	100%		>99%	83-99%	<82%
	MSHN reserves (savings & ISF)	Board of directors Risk management target	9%	7.5%		≥ 7% and ≤ 8%	≥ 6.5% and < 7% or >8% and ≤ 8.5%	< 6.5% or > 8.5%
	MSHN Administrative Budget Performance actual to budget (%)	MSHN's board approved budget	80%	≥ 90%		≥ 90%	> 85% and < 90%	≤ 85% or >100%
	MSHN demonstrates performance within one standard deviation of statewide rates for 10 CPT/HCPCS codes as designated by Finance Council	MDHHS reported values	Final statewide rates should be published in May.	80%		≥80%	≥ 70% and ≤ 80%	≤60%

Background

In accordance with the MSHN Operating Agreement, Article VI, Contracts that state the following:

> The Entity Board must approve the execution of any contract exceeding $25,000 in value. This includes any contract involving the acquisition, ownership, custody, operation, maintenance, lease, or sale of real or personal property and the disposition, division or distribution of property acquired through execution of the contract.

Therefore, MSHN presents the attached FY17 Contract Listing for Board approval and authorization of the Chief Executive Officer to sign.

Recommended Motion:

The MSHN Board authorizes its Chief Executive Officer to sign and fully execute the contracts as presented and listed on the FY17 contract listing.

MID-STATE HEALTH NETWORK
FISCAL YEAR 2017 NEW AND RENEWING CONTRACTS
May 2017

CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION	CONTRACT TERM	ORIGINAL CONTRACT AMOUNT	FY 2017 TOTAL CONTRACT AMOUNT	INCREASE/ (DECREASE)
TBD Solutions, LLC	**Functional Area Analysis & Shared Service Arrangements**	11.1.16 - 4.30.17		**28,400**	
			$ -	$ 28,400	$ -

CONTRACTING ENTITY	SUD PROVIDERS FFS PROGRAM DESCRIPTION	CONTRACT TERM	ORIGINAL FFS ESTIMATED CONTRACT AMOUNT	TOTAL FY17 FFS AMOUNT BASED ON UTILIZATION ESTIMATE	INCREASE/ (DECREASE)
CONTRACTS LISTED IN THIS SECTION ARE ALL FEE-FOR-SERVICE FUNDED AMOUNTS BASED ON ESTIMATE ONLY FOR UTILIZATION					
Consumer Programs, Inc. (dba Meridian Health Services)	**Residential / Detox**	5.1.17 - 9.30.17		-	

CONTRACTING ENTITY	SUD PROVIDERS COST REIMBURSEMENT PROJECTS/PROGRAM DESCRIPTION	CONTRACT TERM	ORIGINAL COST REIMBURSEMENT CONTRACT AMOUNT	FY 2017 TOTAL COST REIMBURSEMENT CONTRACT AMOUNT	INCREASE/ (DECREASE)
Clinton County Counseling Center (CEI)	**Outpatient Services (PA2)**	4.1.17 - 9.30.17	1,096,836	**1,113,995**	17,159
Family Services & Children's Aid	**Recovery Supports; EWS Program; WS services; OP**	10.1.16 - 9.30.17	431,661	**487,486**	55,825
			$ 1,528,497	$ 1,601,481	$ 72,984

Background:

Mid-State Health Network (MSHN) received Amendment No. 1 to the Agreement between Michigan Department of Health and Human Services (MDHHS) and MSHN for the Medicaid Managed Specialty Supports and Services Concurrent 1915 (b)/(c) Waiver Program(s), the Healthy Michigan Program and Substance Use Disorder Community Grant Programs. The attached signature page (Item 11.1) provides a summary of the changes incorporated into the contract. MDHHS requested signature and return by May 5, 2017.

Recommended Motion:

The MSHN Board authorizes its CEO to sign Amendment No. 1 to the Agreement between Michigan Department of Health and Human Services (MDHHS) and Mid-State Health Network (MSHN) for the Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program(s), the Healthy Michigan Program and Substance Use Disorder Community Grant Programs contract for the period of October 1, 2016 through September 30, 2017.

Manager and Location Building:
John P. Duvendeck– Lewis Cass Building, 320 S. Walnut
Contract Number#_____

Amendment No. 1 to the Agreement Between
Michigan Department of Health and Human Services
And

PIHP_____
For
The Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program(s), the Healthy Michigan Program and Substance Use Disorder Community Grant Programs

1. **Period of Agreement:**
   This agreement shall commence on October 1, 2016 and continue through September 30, 2017.

2. **Period of Amendment:**
   October 1, 2016 through September 30, 2017.

3. **Program Budget and Agreement Amount:**
   Payment to the PIHP will be based on the total funding available for specialty supports and services as identified in the annual Legislative Appropriation for community mental health services programs for the period of October 1, 2016 through September 30, 2017. The estimated value is contingent upon and subject to enactment of legislative appropriations and availability of funds.

4. **Amendment Purpose:**
   This amendment incorporates changes to boilerplate contract language and related contract attachments.

5. **The Specific Changes are Identified Below:**
   - To amend the Flint 1115 Waiver into the FY17 boilerplate and attachments P6.3.1 and P39.0.1 from FY16.
   - Part I Section 18.1.13 HCBS Transition Implementation
   - Part I Section 18.2 Special Waiver Provisions for MSSSP Technical Correction.
   - Part II(A) Section 6.4 Medicaid Services Verification Technical Correction.
   - Part II(A) Section 7.7.3 Supports Intensity Scale and section 7.7.4 National Core Indicators.
   - Part II(A) Section 8.4.1.6 MDHHS Incentive – Monetary Payments and Technical Corrections.
   - Part II(A) Section 8.4.1.7 Autism Behavioral Health Treatment including Applied Behavior Analysis Payments. Date and rate changes for FY17.

- Part II(A) Section 8.4.2 Contract Withholds. Add bullet points originally missing after second paragraph when FY17 contract was issued. Add amended section 8.4.2 and 8.4.2.1 language.
- Part II(B) Section 32 Opioid Treatment Services.
- Attachment PII.B.A SUD Policy Manual. Page insert for revised #10 Residential Treatment Policy.
- Part II(B) Section 31 Synar Coverage Study: Protocol. Technical Correction.
- Part II(B) New sections for 2.7 ASAM LOC Requirements for Subcontractors and 2.8 Provider Network Oversight Management

6. Original Agreement Conditions

It is understood and agreed that all other conditions of the original agreement remain the same.

7. Special Certification:

The individuals signing this agreement certify by their signatures that they are authorized to sign this agreement on behalf of the organization specified.

Signature Section:

For the Michigan Department of Health and Human Services

Christine H. Sanches, Director Bureau of Grants & Purchasing	Date

For the CONTRACTOR:

Name (print)	Title (print)
Signature	Date

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

NICK LYON
DIRECTOR

DATE: March 31, 2017

Joseph Sedlock, Director
Mid-State Health Network

Christopher Pinter, CEO
Bay-Arenac Behavioral Health

Sara Lurie, Executive Director
CMH Authority of Clinton-Eaton-Ingham Counties

John Obermesik, Executive Director
CMH for Central Michigan

Suzanne Prich, Executive Director
Huron Behavioral Health

Carolyn Hilley, CEO
Gratiot County CMH Services

Maribeth Leonard, CEO
LifeWays CMH

Robert Lathers, CEO
The Right Door

Michael Geoghan, CEO
Newaygo County Mental Health Center

Tammy J. Quillan, Executive Director
Montcalm Center for Behavioral Health

Lindsey Hull,, CEO
Shiawassee County CMH Authority

Sandra M. Lindsey, CEO
Saginaw County CMH Authority

Sharon Beals, CEO
Tuscola Behavioral Health Systems

FROM: Belinda Hawks, Manager
Federal Compliance Section
Division of Quality Management & Planning
Bureau of Community Based Services

SUBJECT: Michigan Department of Health and Human Services (MDHHS) Follow-Up to the Habilitation Supports Waiver (HSW) and Substance Abuse Disorder (SUD) Corrective Action Plan (CAPs)

Thank you for providing additional clarification on your agency's plan of correction for the follow-up site review conducted on the Mid-State Health Network on February 27-March 6, 2017. During this visit, staff reviewed the implementation status and effectiveness of the CAP for the Habilitation Supports Waiver (HSW) and Substance Use Disorder (SUD) submitted to MDHHS as a result of the initial site visits.

The review team assessed whether the actions taken by the PIHP were effective in correcting the findings noted during the initial site review. The review team found the actions taken by the CMH were effective in correcting the findings noted during the initial site review. It was a pleasure collaborating with your staff.

cc:	Kim Zimmerman	Sandy Gettel	Sherri Hockstra	Joyce Turnard
	Lynn Charping	Levi Zagorski	Susan Richards	Salley Culey
	Gina Costa	Adrea Fletcher	Susan Baranski	Julie McCulloch
	Dirk Love	Lynda Zeller	Cynthia Kelly	Thomas Renwick
	John Duvendeck	Jeff Wieferich	Audrey Craft	John Tyminski
	Benita Koyton	Kendra Binkley		

Mid-State Health Network Staff Listing

Last Name	First Name	Position
Ashley	Merre	Executive Assistant
Calabris	Hope	Claims Processor
Davis	Melissa	Quality Assurance/Performance Improvement Manager
Dillon	Amy	Quality Assurance/Performance Improvement Manager
Diver	Jeanne	Treatment Specialist
Emmenecker	Rebecca	Treatment Specialist
English	Heather	Prevention Specialist
Goodrich	Forest	Chief Information Officer
Groom	Barb	Waiver Coordinator
Gulvas	Kari	Prevention Specialist
Hammack	Katy	Waiver Coordinator
Horgan	Amanda	Deputy Director
Jaskulka	Kyle	Contract Manager
Jones	Nicole	Utilization Management Specialist
July	Tammy	Claims Processor
Keinath	Amy	Finance Manager
Lewicki	Todd	UM & Waiver Director
Marar	Shyam	Project Manager
McCoy	Jennifer	Office Assistant/Receptionist
Meier	Dani	Chief Clinical Officer
Myers	Shannon	Medicaid Event Internal Auditor
Myers-Mattice	Cammie	Utilization Management Specialist
Pletcher	Skye	Utilization Management Specialist
Proper	Linda	Business Analyst/Tech Support
Sedlock	Joe	Chief Executive Officer
Thomas	Leslie	Chief Financial Officer
Wager	Joe	Data and Report Manager
Watters	Carolyn	Credentialing Specialist
Worden	Jill	Lead Prevention Specialist
Zimmerman	Kim	Quality, Compliance & Cust Svc Director
Vacant		Customer Svc & Rights Specialist