

## MID-STATE HEALTH NETWORK REGIONAL GUIDANCE FOR PROVIDER STAFFING CRISIS STABILIZATION PROGRAM

MARCH 2, 2022

REVISED March 7, 2023 to Extend through 09/30/2023

### INTRODUCTION, PURPOSE, AND OPERATIONAL PARAMETERS:

The majority of behavioral health providers in Region 5 continue experiencing unprecedented impacts on staffing due to the COVID-19 pandemic. On March 2, 2022, the Mid-State Health Network (MSHN) Board approved the creation of a \$13M (Thirteen Million Dollars) regional fund to support all in-region behavioral health providers (including substance use disorder prevention, treatment, and recovery providers) in their efforts to address staff recruitment, attraction, commitment (and related onboarding costs), existing workforce retention strategies, temporary staffing costs, and other staffing stabilization crises they face. Resources are intended for funding creative, provider specific solutions that the provider has assessed as having the potential to improve stabilization of their workforce applicants and employees that provide or administer Medicaid-Manual beneficiary supports and services.

This program commenced on April 1, 2022, retroactive to 10/01/2021 to include provider-specific, qualified, staffing crisis related expenses already made this fiscal year and future staffing crisis stabilization initiatives as detailed herein. On March 7, 2023, the MSHN Board provided additional funding and extended this initiative through 09/30/2023. CMHSP Participants in the Mid-State Health Network region are already funded on a sub-capitation basis and are already able to make changes to their own, internal personnel recruiting, retention, compensation, benefit, and other human resources programs. Thus, the exclusive purpose of this fund is to direct funding to the external provider networks that are directly contracted to the CMHSP Participant and/or to MSHN (hereafter, "funding entity"), in alignment with the following criteria.

MSHN considers this initiative an extension of the provider stabilization initiative and as such has determined that it is within the provider stabilization parameters established by the MDHHS and is allowable, if implemented correctly and with fidelity to regional parameters/guidelines.

On March 7, 2023, the MSHN Board allocated an additional \$3M (three million dollars) as a regional contingency fund for the remainder of FY 23.

It is also critical to state that this regional provider staffing crisis stabilization program is contingent upon available funding, and may be cancelled or terminated at any time. Each funding entity has the right to reject any or all proposals that it determines conflict with its policies, audit, or other requirements, that are unreasonable, or that do not comply with the regional guidance that follows.

#### 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 & Wellness (Ionia County)



LifeWays CMH



Montcalm Care Center



Newaygo County Mental Health Center



Saginaw County CMH



Shiawassee Health & Wellness



Tuscola Behavioral Health Systems

#### Board Officers

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*Chairperson*

Irene O'Boyle  
*Vice-Chairperson*

Kurt Peasley  
*Secretary*

## ELIGIBILITY CRITERIA FOR MSHN REGIONAL PROVIDER STAFFING CRISIS STABILIZATION SUPPORT:

- Eligible organizations are provider organizations that deliver supports and services covered in the Michigan Medicaid Manual that are contracted to a Region 5 CMHSP Participant or to Mid-State Health Network (hereafter, “funding entity”) except for psychiatric hospitals or units (which are already supported with HRA funding).
- Provider site(s) to be assisted with funding under this initiative must be physically located within the geographic boundaries of Region 5 (Mid-State Health Network region). Sites outside of the MSHN region are not eligible for this program. A provider headquartered or operated from another PIHP region with service sites in the MSHN region is eligible for those service sites only.
- Provider sites may have contracts with one or more funding entities. The funding entity with the largest contract (by dollars) is the funding entity for the provider to apply to.
- Provider funding requests cannot duplicate other existing provider stabilization initiatives *for the same purpose* by any Region 5 funding entity.
- Provider must develop and submit a brief regionally standardized application that, in the provider’s view, addresses in whole or in part its specific difficulties with attracting and retaining qualified and competent staff to deliver Medicaid-funded services and supports to MSHN-covered individuals in Region 5.
- The provider application must include the formula used to reach a provider staffing crisis stabilization requested funding amount. For example, Retention bonus of \$XXX for ### of FTEs, \$XXX paid at onset of program; \$XXX paid at end of successful continuation of employment (not to exceed ~~09/30/2022~~ 09/30/2023) = Total Funding Request.
  - **Initiatives eligible for consideration include but are not limited to:**
    - Applicant Focused Initiatives (defined as incentives for individuals to accept employment and maintain continuous employment with the provider entity incurred (or to be expended) from 10/01/2021 through the end of the support period – ~~09/30/2022~~ 09/30/2023):
      - Applicant financial or benefit incentives or incentive programs, such as signing incentives, part of which is paid at the time of the employment commitment, and part of which is paid after a period of continuous employment which does not extend beyond ~~09/30/2022~~ 09/30/2023
        - The region recommends that providers/applicants develop policies to require that individuals to whom an incentive is paid repay the incentive if agreed upon terms for receiving the incentive are not met.
      - Advertising and/or marketing costs intended to increase the pool of applicants for available positions in the provider’s organization;
      - On-boarding costs or training incentives;
      - Other provider specific ideas focused on increasing competency/qualifications/onboarding/deployment of applicants.
      - NOTE: all initiatives to be funded under this category by this regional initiative must have provider/applicant governing body approval (or will authorize, prior to the expenditure of funds, or existing operating policies) that support their implementation at the provider site/organization.
    - Existing Staff Retention Focused Initiatives (defined as incentives for existing workforce members to maintain continuous employment with the provider entity retroactive to 10/01/2021 and/or through the end of the support period – ~~09/30/2022~~ 09/30/2023):

- Retention Incentives (a monetary payment, part of which may be paid at the beginning of the funding period as a recognition incentive, and part of which is paid after a period of continuous employment which does not extend beyond ~~09/30/2022~~ 09/30/2023.
  - The region recommends that providers/applicants develop policies to require that individuals to whom an incentive is paid repay the incentive if agreed upon terms for receiving the incentive are not met.
- Temporary compensation adjustments (temporary means not extending beyond ~~09/30/2022~~ 09/30/2023);
- Shift differentials or premiums (that do not extend beyond ~~09/30/2022~~ 09/30/2023);
- Additional overtime compensation payments/premium (above required DOL standards);
- Temporary Staffing Agency arrangements/costs; Hiring of temporary or deployment of existing staff in roles that relieve staff in direct service roles of some or many COVID-related responsibilities.
- Other provider specific ideas focused on retaining existing personnel.
- NOTE: all initiatives to be funded under this category by this regional initiative must have provider governing body approval (or existing operating policies) that support their implementation at the provider site/organization.
- Other Initiatives:
  - Provider determined activities that are intended to address the specific workforce crisis issues the specific provider is facing and that the provider has determined that the requested support is likely to positively impact that condition.
- Excluded Activities/Initiatives:
  - Base compensation adjustments that would have to be sustained after the time period covered by the regional initiative (i.e., beyond ~~09/30/2022~~ 09/30/2023).
  - Bonuses or other incentives for non-service delivery personnel in excess of that which is provided to service delivery personnel.
  - All applicants or existing personnel assisted through this program must be physically working in the MSHN geographic region, thus considerations for applicants or personnel working in a main office or branch location outside of the MSHN region are not eligible.
  - Unreasonable requests, as determined solely by the Funding Entity.

**Applicant Processes:** Mid-State Health Network has developed a specific, regionally standardized application to gather the required information (download [regional application form at this link](#)):

- Provider organizations seeking regional support must submit a written application, using the regionally standardized application form, with sufficient detail/justification of the funding requested. Specific formula used to arrive at the requested amount of funding must be included.
- A completed funding application should be submitted to the entity with which the provider is contracted. For providers that contract with multiple Region 5 Funding Entities, the application should be submitted to the funding entity that represents the majority of funding from among Region 5 Funding Entities.

- Funding entities will require sufficient proof that the funding provided was spent on the activity described in the application. For example, payroll or other check registers, copies of individual agreements, receipts, etc.

**FUNDING ENTITY RESPONSIBILITIES:**

- Each Region 5 CMHSP Participant receives sub-capitation funds that include all available resources (less MSHN admin and tax obligations) disbursed per the Regional Operating Agreement. MSHN has access to prior year savings if sub-capitation funds are insufficient at the local level or if cash advances are required by the CMHSP Participant to support implementation of this provider stabilization initiative.
- Funding entities with which the provider is contracted will receive funding applications from its contracted providers located physically within the geographic boundaries of Mid-State Health Network subject to the criteria detailed in this regional guidance.
- Funding entities, in their sole discretion, will make a determination on funding the provider proposal using this regional guidance. Outcomes of funding entity review can include recommendations from the funding entity to the provider for adjustment to the proposed program, approval as requested, approval with modification, denial, or pending for further information from the provider (which the funding entity will request).
  - The regional initiative/program is intended for FY 2022 and FY 2023 (10/01/2021 through ~~09/30/2022~~ 09/30/2023) only. Proposed costs that obligate the funding entity or the region beyond that date and any application that does not conform to this regional guidance will be denied. Funds granted under this program will not be cost-settled but must be supported with adequate proofs/substantiation provided by the provider applicant to the funding entity on request.
- Funding entities will distribute the funds to approved providers in lump sum and record the appropriate cost/expense to the appropriate fund sources according to the local cost allocation plans/requirements.
- Funding entities track and report (to MSHN) provider proposals that are financially supported under existing regional provider stabilization reporting requirements whether supported within the sub-capitation or with other regional funds. This is important so that all activities are within allocated funding.

**APPROVAL:**

On February 17, 2022, the MSHN Administration and the MSHN Regional Operations Council supported the adoption of this regional program and related guidance.

On March 1, 2022, the MSHN Board of Directors approved the funding and program operational parameters.

On March 7, 2023, the MSHN Board of Directors approved additional funding and continuation of this initiative through 09/30/2023.

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