

POLICIES AND PROCEDURE MANUAL

Chapter:	Utilization Management		
Title:	Utilization Management Policy		
Policy: <input checked="" type="checkbox"/> Procedure: <input type="checkbox"/> Page: 1 of 4	Review Cycle: Biennial Author: Chief Population Health Officer and UM Committee	Adopted Date: 11.22.2013 Review Date: 05.07.2024	Related Policies: Utilization Mgmt: Access Service Delivery System: Service Philosophy; Level of Care System (LOC) for Parity

Purpose

Mid-State Health Network (MSHN), either directly or through delegation of function to its provider network, is responsible for the region’s Utilization Management (UM) system. Through contract, MSHN has identified the retained and delegated functions of the networks UM system. MSHN is responsible for oversight and monitoring of all UM functions.

UM is a set of administrative functions that assure appropriate clinical service delivery. In short, this means the “right service in the right amount to the right individuals from the right service provider”. These functions occur through the consistent application of written policies and eligibility criteria

Policy

MSHN UM functions are performed in accordance with approved MSHN policies, protocols and standards and may be delegated to its provider network or directly administered by the Pre-Paid Inpatient Health Plan (PIHP). This includes monitoring of local prospective, concurrent and retrospective reviews of authorization and UM decisions, activities regarding level of need and level/amount of services. MSHN maintains a Utilization Management Delegation Grid (see Attachment A) that defines whether a utilization management function is considered retained or delegated.

MSHN provider network shall have mechanisms to identify and correct under/over-utilization of services; as well as procedures for conducting prospective, concurrent, and retrospective reviews. Qualified health professionals shall supervise review decisions. Decisions to deny or reduce services are made by health care professionals who have the appropriate clinical expertise to provide treatment in consultation with the primary care physician as appropriate. MSHN conducts data-driven analysis of regional utilization patterns, and monitoring for over-and under-utilization across the region.

Principles

Utilization management must be based on valid data in order to produce reliable reports required to analyze patterns of utilization, determine clinical effectiveness of the service delivery model and compare cost-effectiveness and outcomes of services.

- Value-based purchasing assures appropriate access, quality, and the efficient and economic provision of supports and services.
- The MSHN UM framework is not a mandate for clinical decision-making, but instead aims to define and standardize criteria, factors, and outcomes for evaluation purposes.
- The MSHN Utilization model will be consistent with Michigan Department of Health & Human Services (MDHHS) contract requirements, Balance Budget Act of 1997, and national accreditation standards.
- National standards and metrics are utilized throughout the model wherever possible (standardized tools, recognized process metrics, and outcome measures).

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 (inclusive of Substance Use Service Provision, coordination and administrative oversight)

MDHHS: Michigan Department of Health & Human Services

MSHN: Mid-State Health Network

PIHP: Prepaid Inpatient Health Plan

Provider Network: refers to MSHN CMHSP Participants and SUD providers directly under contract with the MSHN PIHP to provide/arrange for behavioral health services and/or supports. Services and supports may be provided through direct operations or through the subcontract arrangements

UM: Utilization Management

UMC: Utilization Management Committee

Related Materials:

MSHN Utilization Management Plan

References/Legal Authority:

1. Appeal and Grievance Resolution Processes Technical Requirement: MDHHS, revised July 29, 2020
2. Quality Assessment and Performance Improvement Programs for Specialty Pre-Paid Inpatient Health Plans: MDHHS, Current Year
3. Michigan Mission-Based Performance Indicator System, Version 6.0 for PIHPs, Current Year
4. MDHHS Medicaid Providers Manual, Current Edition
5. MSA Bulletin: Mental Health/Substance Abuse 04-03 (Prepaid Inpatient Health Plans)
6. 42 CFR 438.404c(5)(6)
7. Early Periodic, Screening, Diagnosis, and Treatment Policy: MSHN
8. Habilitation Supports Waiver Policy: MSHN

Change Log:

Date of Change	Description of Change	Responsible Party
11.23.2013	New MSHN policy	L. Verdeveld
03.14.2014	Alignment with service philosophy and addition of “prescriber.”	Dr. H. Lenhart
04.09.2014	To reflect input of the Utilization Management and Substance Use Disorder Committee/Workgroup	D. McAllister
07.23.2015	UM Committee feedback on MSHN monitoring of over/under utilization; and B3 service clarification of reasonable and equitable, clarify FY15 contract provisions.	UMC
04.25.2016	Moved description of UM delegation grid to UM Policy.	UMC
10.27.2016	Annual review by UMC-no changes.	UMC
10.26.2017	Annual review by UMC-no changes.	UMC
10.26.2018	Annual review by UMC- no changes	UMC
02.27.2020	Annual review by UMC- added clarifying language regarding timeliness of authorization decisions and issuing of Adverse Benefit Determinations in response to 2018-2019 HSAG quality review findings; added corresponding definitions	UMC
02.24.2022	Biennial review by UMC- separated content into policy and procedure	UMC
02.22.2024	Biennial Review	UMC

Attachment A

PIHP Delegated Activity	Retained or Delegated?	If Retained: Conducted internally by MSHN or contracted?
<p>Prospective approval or denial of requested service as guided by the regional Level of Care System (LOC) for parity:</p> <ul style="list-style-type: none"> - Initial assessment for and authorization of psychiatric inpatient services; - Initial assessment for and authorization of psychiatric partial hospitalization services; - Initial and ongoing authorization of services to individuals receiving community-based services; - Grievance and Appeals, Second Opinion management, coordination and notification; - Communication with consumers regarding UM decisions, including adequate and advanced notice, right to second opinion and grievance and appeal 	<p><input type="checkbox"/> Retained by MSHN</p> <p><input checked="" type="checkbox"/> Delegated to local CMHs</p> <p>*This topic has been marked as an implementation issue requiring the development of a specific policy or procedure at the MSHN level.</p>	<p><input type="checkbox"/> Conducted by MSHN</p> <p><input type="checkbox"/> Contracted</p>
<p>Local-level Concurrent and Retrospective Reviews of affiliate Authorization and Utilization Management decisions/activities to internally monitor authorization decisions and congruencies regarding level of need with level of service, consistent with PIHP policy, standards and protocols.</p>	<p><input type="checkbox"/> Retained by MSHN</p> <p><input checked="" type="checkbox"/> Delegated to local CMHs</p>	<p><input type="checkbox"/> Conducted by MSHN</p> <p><input type="checkbox"/> Contracted</p>
<p>Persons who are enrolled on a habilitation supports waiver must be certified as current enrollees and be re-certified annually. A copy of the certification form must be in the individual's file and signed by the local CMHSP representative.</p>	<p>*This will be a local responsibility that is prompted centrally by MSHN. It will be a central responsibility to manage the resource of waiver slots and provide oversight.</p>	<p><input checked="" type="checkbox"/> Conducted by MSHN</p> <p><input type="checkbox"/> Contracted</p>
<p>Development, adoption and dissemination of Practice Guidelines (PGs), Medical Necessity Criteria, and other Standards to be used by the local CMHSP. 42 CFR: 438.236: Practice Guidelines</p>	<p><input checked="" type="checkbox"/> Retained by MSHN</p> <p><input type="checkbox"/> Delegated to local CMHs</p>	<p><input checked="" type="checkbox"/> Conducted by MSHN</p> <p><input type="checkbox"/> Contracted</p>
<p>Development, modification and monitoring of related PIHP UM Policy, Procedures and Annual Plan as part of the Affiliation QI Plan.</p>	<p><input checked="" type="checkbox"/> Retained by MSHN</p> <p><input type="checkbox"/> Delegated to local CMHs</p>	<p><input checked="" type="checkbox"/> Conducted by MSHN</p> <p><input type="checkbox"/> Contracted</p>
<p>Review and Analysis of the CMHSP's quarterly utilization activity and reporting of services. Annual review of each CMHSP's and the PIHP's overall Utilization Activities.</p>	<p><input checked="" type="checkbox"/> Retained by MSHN</p> <p><input type="checkbox"/> Delegated to local CMHs</p>	<p><input checked="" type="checkbox"/> Conducted by MSHN</p> <p><input type="checkbox"/> Contracted</p>

MSHN Utilization Management Delegation Grid