



STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

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Date: November 10, 2016

To: Executive Directors of Pre-paid Inpatient Health Plans (PIHP's)  
Substance Use Disorder Directors

From: Jeffery L. Wierich, M.A., LLP *SW*  
Director  
Division of Quality Management and Planning

RE: State Level Substance Use Disorder Residential Provider Enrollment Process

The purpose of this communication is to outline the new process for the assignment of an American Society of Addiction Medicine (ASAM) Level of Care (LOC) to substance use disorder (SUD) residential service providers. This process is being put in place as part of the pre-approval work that needs to be completed for the 1115 Medicaid Demonstration Waiver. The determination of the LOC being provided must be determined at the state level.

Michigan is seeking to meet the Centers for Medicare and Medicaid Services (CMS) criteria to be allowed to use Medicaid funds to pay for SUD residential treatment in facilities that meet the definition of an Institution for Mental Disease (IMD). The assignment of an ASAM LOC will impact all providers after the waiver is approved. Due to the impact on IMD use, the residential level of care must be established before the waiver is approved. The next provider group that will be impacted will be detoxification or withdrawal management providers that will be completed within the first 6 months of approval. The outpatient and early intervention providers will be completed within the first year.

Included in this communication is the application that must be completed by each organization that wants to provide, or continue to provide, residential treatment services under the 1115 waiver. This includes those providers in networks that meet the criteria to be considered an IMD. Additionally, there is a document that includes instructions on how to complete the application. Please provide this application and instructions to your contracted residential treatment providers. In situations where a provider contracts with multiple Pre-paid Inpatient Health Plans (PIHP), the provider only needs to receive and complete one application. The PIHP that is located in the same region as the provider in question, should send the application materials to this provider. If the provider is in an area where the regional PIHP does not contract with the organization, the region that is closest to the provider should send the application. The state can make a determination if there is a dispute.

The provider will send the completed application and the other requested information to the email address on the application document. The information will be reviewed and an ASAM LOC will be established for that provider. This will be the established LOC that will be approved for reimbursement under the new waiver. Each application indicates which PIHP the provider currently contracts with or wants to contract with. The state will send notice to each identified PIHP on the application regarding the ASAM LOC assigned.

In situations where it is determined that a provider cannot be assigned a LOC, the provider may appeal this determination within seven days of being notified. Providers who appeal must work with the PIHP to provide additional information and a justification for the redetermination. Information must be submitted to the same email address where the application was originally sent. There will only be one appeal process. If a currently contracted provider is impacted by not being able to have a level assigned, no new admissions may be made to the program during the appeal process. If the provider does not meet criteria after the appeal process, the PIHP will no longer be able to contract with the organization. Any beneficiaries that are currently receiving services in that program should be notified and arrangements made to transfer to an appropriate program. This transfer should take place within 30 days. If a beneficiary chooses to stay at that facility, funds other than Medicaid must be used to cover those services.

The application process is open through 5:00 p.m. on December 19, 2016. Any application received after this time will not be assigned a LOC due to missing the deadline and will need to follow the appeal process for a determination review. Missing the initial deadline and submitting through the appeal process will result in a final decision, as there will be no option for an appeal for those who miss the initial deadline. The state will have all initial application determinations made by January 19, 2017. Any appeal decisions will be completed no later than January 30, 2017.

Please direct any questions to me at [wieferichj@michigan.gov](mailto:wieferichj@michigan.gov) or by phone at 517.335.0499.