MID-STATE HEALTH NETWORK
BOARD POLICY COMMITTEE
MEETING AGENDA
TUESDAY, SEPTEMBER 1, 2026 – 4:00 PM

MyMichigan Medical Center
300 E. Warwick Drive
Alma, MI 48801

Zoom Link: https://zoom.us/j/3797965720 **Meeting ID**: **379 796 5720**
Call Number: 1.312.626.6799 **Meeting ID Number**: 379 796 5720#
Password if required for participation: 2269274

Note: Anyone, including members of the public, can attend this meeting by clicking the link above

1. CALL TO ORDER

2. **ACTION ITEM:** APPROVAL OF AGENDA FOR SEPTEMBER 1, 2026

   MOTION TO APPROVE THE AGENDA OF THE SEPTEMBER 1, 2026 BOARD POLICY COMMITTEE MEETING

3. **ACTION ITEM:** APPROVAL OF MINUTES OF JULY 7, 2026 *(PAGE 3)*

   MOTION TO APPROVE THE MINUTES OF JULY 7, 2026 BOARD POLICY COMMITTEE MEETING AS PRESENTED.

4. PUBLIC COMMENT

5. **ACTION ITEM:** POLICIES UNDER REVIEW:

   CHAPTER: COMPLIANCE

   1. COMPLIANCE AND PROGRAM INTEGRITY *(PAGE 5)*
   2. COMPLIANCE REPORTING AND INVESTIGATIONS *(PAGE 8)*

   CHAPTER: QUALITY

   1. CRITICAL INCIDENTS POLICY *(PAGE 11)*
   2. INCIDENT REVIEW FOR SUBSTANCE USE DISORDER PROVIDERS *(PAGE 16)*
   3. MEDICAID EVENT VERIFICATION POLICY *(PAGE 21)*

CHAPTER: SERVICE DELIVERY

1. SERIOUS EMOTIONAL DISTURBANCE WAIVER (SEDW) *(PAGE 24)*

MOTION TO RECOMMEND THE POLICIES UNDER REVIEW TO THE BOARD OF DIRECTORS

6. **ACTION ITEM:** FY2027 BOARD POLICY COMMITTEE MEETING CALENDAR *(PAGE 30)*

MOTION TO APPROVE THE FY2027 BOARD POLICY COMMITTEE MEETING CALENDAR AS PRESENTED.

7. NEW BUSINESS

8. PUBLIC COMMENT

9. ADJOURN

Mid-State Health Network (MSHN) Board Policy Committee Meeting
Tuesday, July 7, 2026
MyMichigan Medical Center
Meeting Minutes

Members Present: John Johansen, Tina Hicks, David Griesing, and Kurt Peasley

Members Absent: Irene O'Boyle

Guest Board Members Present: Jack Stapleton

Staff Members Present: Amanda Ittner (Deputy Director) and Sherry Kletke (Executive Support Specialist)

1. Call to Order

Mr. John Johansen called this meeting of the Mid-State Health Network Board Policy Committee to order at 4:00 p.m.

2. Approval of Agenda for July 7, 2026

Board Policy Committee approval was requested for the Agenda of the July 7, 2026, Board Policy Committee Meeting, as presented.

MOTION BY KURT PEASLEY, SUPPORTED BY DAVID GRIESING, FOR APPROVAL OF THE AGENDA OF JULY 7, 2026 BOARD POLICY COMMITTEE MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

3. Approval of Minutes

Board Policy Committee approval was requested for the draft meeting minutes of the May 5, 2026 Board Policy Committee Meeting.

MOTION BY TINA HICKS, SUPPORTED BY KURT PEASLEY, FOR APPROVAL OF THE MINUTES OF THE MAY 5, 2026 BOARD POLICY COMMITTEE MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

4. Public Comment

There was no public comment

5. Policies Under Review

Mr. Johansen invited Ms. Ittner to provide a review of the substantive changes to the policies under review from the Quality Chapter and the Service Delivery Chapter included in the Policy Committee packet.

Board Policy Committee members asked for clarification to the MMBPIS policy indicator numbers and asked to have the revised policy be submitted to the board.

MOTION BY TINA HICKS, SUPPORTED BY DAVID GRIESING, TO RECOMMEND THE MMBPIS POLICY UNDER REVIEW BE REVISED AND TO PRESENT THE REVISED POLICY AND THE CLINICAL PRACTICE GUIDELINES AND EVIDENCE BASED PRACTICES POLICY TO THE BOARD OF DIRECTORS. MOTION CARRIED UNANIMOUSLY

6. New Business

Ms. Amanda Ittner reviewed the FY2027 Board Policy Committee calendar and explained the calendar would be presented for action at the September meeting pending board action of the FY2027 board meeting calendar since the committee meets on the same day as the full board.

7. Public Comment

There was no public comment.

8. Adjournment

The MSHN Board Policy Committee Meeting adjourned at 4:10 p.m.

POLICIES AND PROCEDURE MANUAL

Chapter:	**Compliance**		
Section:	**Compliance and Program Integrity**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 3	**Review Cycle:** Biennial **Author:** Chief Compliance & Quality Officer	**Adopted Date: 11.2013** **Review Date:** 11.07.2023	**Related Policies:** Compliance Reporting & Investigations Compliance Line External Quality Review

Purpose

To ensure that Mid-State Health Network (MSHN) conducts all aspects of service delivery and administration with integrity, in conformance with the highest standards of accountability and applicable laws, while utilizing sound business practices, through the development of and adherence to its Corporate Compliance Plan (CCP), guaranteeing the highest standards of excellence.

Policy

A. Corporate Compliance:

- MSHN shall establish, implement and maintain a region-wide Corporate Compliance Plan that is in accordance with federal and state statutes, laws and regulations. MSHN will furthermore adhere to regulations required by the Attorney General's Office, Office of Inspector General, Centers for Medicaid and Medicare, and relevant accrediting bodies.
- The MSHN Corporate Compliance Plan provides the framework for MSHN to comply with applicable laws, regulations and program requirements, minimize organizational risk, maintain internal controls and encourage the highest level of ethical and legal behavior.
- MSHN, and the CMHSP Participants and the SUD Provider Network, shall have policies and procedures necessary to comply with the MSHN CCP and shall ensure effective processes for identifying and reporting suspected fraud, abuse and waste, and timely response to detected offenses with appropriate corrective action.
- MSHN, and the CMHSP Participants and the SUD Provider Network, shall each identify a Corporate Compliance Officer who is responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements of the contract and MSHN's Corporate Compliance Plan.
- MSHN, and the CMHSP Participants and the SUD Provider Network, shall have a compliance committee at the senior management level charged with overseeing the agencies compliance program.
- MSHN, and the CMHSP Participants and the SUD Provider Network, shall provide staff and board member training in compliance with the CCP and will maintain records of staff attendance. Trainings shall include but are not limited to: Federal False Claims Act, Michigan False Claims Act and Whistleblowers Protection Act.
- MSHN, and the CMHSP Participants and the SUD Provider Network, shall require all Board members, employees and contractors to comply with corporate compliance requirements including any necessary reporting to other agencies.

- MSHN, and the CMHSP Participants and the SUD Provider Network, shall review the compliance activities at least annually.
- The CMHSP Participants and the SUD Provider Network will participate in the annual review of the MSHN CCP and provide recommendations for revisions as needed.
- MSHN leadership will promote compliance among employees through the following:
    - Reviewing and approving MSHN's Compliance Plan, policies and procedures
    - Dedicating sufficient resources to provide monitoring and oversight of compliance related activities
    - Empowering the Compliance Officer with the authority to carry out duties and responsibilities defined as part of the compliance program
    - Modeling ethical behavior
    - Establishing clear and accessible lines of communication that promotes reporting of suspected compliance matters
    - Promoting ongoing training
    - Ensuring an environment of accountability and consistency in areas of corrective action

B. Ethical Standards/Program Integrity

- All services within MSHN shall be provided with commitment to appropriate business, professional and community standards for ethical behavior.
- MSHN shall develop and maintain Standards of Conduct applicable to all MSHN staff and MSHN Board Members.
- MSHN shall conduct business with integrity and not engage in inappropriate use ofpublic resources.
- MSHN shall ensure that services are provided in a manner that maximizes benefit to consumers while avoiding risk of physical, emotional, social, spiritual,psychological or financial harm.
- All MSHN staff and MSHN Board Members shall conduct themselves in such a way as to avoid situations where prejudice, bias, or opportunity for personal or familial gain, could influence, or have the appearance of influencing, professional decisions.
- The CMHSP Participants and the SUD Provider Network shall have standards of conduct that articulate organization's commitment to comply with all applicable requirements and standards under the contract, and all applicable Federal and State requirements.

Applies to:

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

Definitions/Acronyms:

CCP: Corporate Compliance Plan
CMHSP: Community Mental Health Service Program
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PIHP: Prepaid Inpatient Health Plan
SUD: Substance Use Disorder

Related Materials:

Mid-State Health Network Corporate Compliance Plan

References/Legal Authority:

1. Department of Health and Human Services, Office of Inspector General, Publicationof the OIG Compliance Program Guidance for Hospitals.
2. Michigan False Claims Act (Act 72 of 1997)
3. Michigan Whistleblowers Protection Act (Act 469 of 1980)
4. Deficit Reduction Act of 2005
5. State of Michigan/PIHP Contract: Schedule A: Statement of Work Contract Activities: R. Program Integrity
6. Code of Federal Regulations, Section 42: 438.608 – Program Integrity Requirements

Change Log:

Date of Change	Description of Change	Responsible Party
11.2013	New Policy	Chief Compliance Officer
11.2014	Annual Review	Chief Compliance Officer
11.2015	Annual Review & Updates	Director of Compliance, Customer Services & Quality
08.2016	Annual Review	Director of Compliance, Customer Services & Quality
08.2017	Annual Review	Director of Compliance, Customer Services & Quality
08.2018	Annual Review	Director of Compliance, Customer Services & Quality
09.2019	Annual Review	Director of Compliance, Customer Service, & Quality
08.2021	Bi-Annual Review; Updated references; added language consistent with 42 CFR	Chief Compliance and Quality Officer
08.2023	Biennial Review; Added reference to compliance with MSHNs Compliance Plan	Chief Compliance and Quality Officer
05.2026	Added language for leadership promoting compliance – required by OIG	Chief Compliance and Quality Officer

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POLICIES AND PROCEDURE MANUAL

Chapter:	Compliance		
Title:	**Compliance Reporting and Investigations**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 3	**Review Cycle:** Biennial **Author:** Chief Compliance Officer and Quality Improvement Council	**Adopted Date: 04.07.2015** **Review Date:** 07.02.2024	**Related Policies:** Compliance & Program Integrity

Purpose

To ensure Mid-State Health Network (MSHN) staff and its Provider Network report suspected violations, misconduct and Medicaid fraud, waste and abuse, complete investigations, and complete the required reporting in accordance with the MSHN Compliance Plan; Reporting and Investigations.

Policy

Suspected Medicaid Fraud, Waste, and/or Abuse:

MSHN staff and its Provider Network, shall report all suspected Medicaid fraud, waste, and abuse to the MSHN Compliance Officer in accordance with standards established in the MSHN Compliance Plan. Investigations shall be conducted in accordance with the MSHN Compliance Plan, Reporting and Investigations.

- Allegations involving suspected fraud will be reported to the MSHN Compliance Officer.
- Under the direction of MSHN's Compliance Officer, a preliminary investigation will be completed to determine if a suspicion of fraud exists.
- If suspicion of fraud exists, a report will be made in writing by the MSHN Compliance Officer utilizing the Office of Inspector General Fraud Referral Form.
- If there is suspicion of fraud, and involves an overpayment of $5,000 or more, MSHN's Compliance Officer will report the suspected fraud to the Michigan Department of Health and Human Services (MDHHS) Office of Inspector General (OIG).
- MSHN's Compliance Officer will inform the appropriate provider network member when a report is made to the MDHHS Office of Inspector General.
- MSHN will follow the guidance/direction provided by the MDHHS Office of Inspector General regarding investigation and/or other necessary follow up.
- All allegations within MDHHS-OIG audit referrals will be investigated to either substantiate or refute any and all items within the complaint. A detailed summary of findings will be produced and include all items outlined in the audit referral.
- All suspicion of fraud will be reported on the Quarterly OIG Program Integrity Report template.

Suspected Violations and/or Misconduct (not involving Medicaid Fraud):

MSHN staff and its Provider Network, shall report all suspected violations and/or misconduct to the MSHN Compliance Officer and/or the appropriate Community Mental Health Service Program (CMHSP) Participant/Substance Use Disorder (SUD) Provider designated Compliance Officer. Reporting and Investigations shall be conducted in accordance with the MSHN Compliance Plan, Reporting and

Investigations.

- Where internal investigation substantiates a reported violation, corrective action plans will be initiated by MSHN staff or its Provider Network.
- Corrective action plans developed by the Provider Network shall be submitted to the MSHN Compliance Officer within thirty (30) days of the approved plan.
- The MSHN Compliance Officer shall review corrective action plans and ensure, as appropriate, prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, coordinating with the CMHSP designee for follow-up monitoring and oversight, and implementing system changes to prevent a similar violation from recurring in the future.

~~***Required Reporting:***~~

~~MSHN's Provider Network shall submit compliance activity reports quarterly to the MSHN Compliance Officer utilizing the Office of Inspector General program integrity report template. Minimally the report will include the following:~~

- ~~Tips/grievances received~~
- ~~Data mining and analysis of paid claims, including audits performed based on the results~~
- ~~Audits performed~~
- ~~Overpayments collected~~
- ~~Identification and investigation of fraud, waste and abuse (as these terms are defined in the "Definitions" section of this contract~~
- ~~Corrective action plans implemented~~
- ~~Provider dis-enrollments~~
- ~~Contract terminations~~

~~***Reporting Period/Due Dates to MSHN:***~~

- ~~January through March: May 1st~~
- ~~April through June: August 1st~~
- ~~July through September: November 1st~~
- ~~October through December: February 1st~~

The MSHN Compliance Officer will prepare a quarterly summary report of the Provider Network and direct MSHN compliance activities and present to the MSHN Compliance Committee and the Regional Compliance Committee. An annual summary report of the regional compliance activities will be presented to the MSHN Board of Directors and the MSHN Operations Council.

To the extent consistent with applicable federal and state law, including, but not limited to 42 Code of Federal Regulations (CFR) Part 2, HIPAA, and the Michigan Mental Health Code, the Pre-Paid Inpatient Health Plan (PIHP) must disclose protected health information to MDHHS-OIG or the Department of Attorney General upon their written request, without first obtaining authorization from the beneficiary to disclose such information.

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:

Abuse: Provider practices that are inconsistent with sound fiscal, business or medical practices and result in an

unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet the professionally recognized standards for health care.
CFR: Code of Federal Regulations
CMHSP: Community Mental Health Service Program
Fraud: The intentional deception or misinterpretation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or another person.
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
OIG: Office of Inspector General
PIHP: Prepaid Inpatient Health Plan
Provider Network: Refers to a CMHSP Participant and all Behavioral Health Providers that are directly under contract with the MSHN PIHP to provide services and/or supports through direct operations or through the CMHSP's subcontractors.
SUD: Substance Use Disorder
Waste: Overutilization of services, or other practices that result in unnecessary costs. Generally, not considered caused by criminally negligent actions, but rather the misuse of resources.

Other Related Materials:
MSHN Compliance Plan
MSHN Compliance Investigation Reports Office of Inspector General Fraud Referral Form
MSHN Compliance Activity Report Template
MSHN Contract Compliance Procedure
Healthicity User Access Request Form

References/Legal Authority:
1. 42 Code of Federal Regulations 455.17 – Reporting Requirements
2. 42 Code of Federal Regulations 438.608: Program Integrity Requirement
3. 42 Code of Federal Regulations, Part 2: Confidentiality of Substance Use Disorder Patient Records
4. State of Michigan/PIHP Contract: Schedule A: Statement of Work Contract Activities: R. Program Integrity
5. Michigan Mental Health Code
6. Code of Federal Regulations, Section 42: 438.608 – Program Integrity Requirements

Change Log:

Date of Change	Description of Change	Responsible Party
03.2015	New Policy	Chief Compliance Officer
03.2016	Annual Review	Director of Compliance, Customer Service & Quality
08.2016	Annual Review	Director of Compliance, Customer Service & Quality
08.2017	Annual Review	Director of Compliance, Customer Service & Quality
08.2018	Annual Review	Director of Compliance, Customer Service & Quality
09.2019	Annual Review	Director of Compliance, Customer Service, & Quality
08.2021	Bi-Annual Review; Updated references	Chief Compliance and Quality Officer
08.2023	Biennial Review; Updated reporting for suspected fraud.	Chief Compliance and Quality Officer
05.2024	Updated to include OIG feedback	Chief Compliance and Quality Officer
05/2026	Updated to include OIG required language from 6.9 report and removed reporting	Chief Compliance and Quality Officer

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POLICIES AND PROCEDURE MANUAL

Chapter:	**Quality**		
Title:	**Critical Incidents**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 4	**Review Cycle: Biennial** **Author:** Quality Improvement Council, Chief Compliance & Quality Officer	**Adopted Date: 07.01.2014** **Review Date:** 03.04.2025	**Related Policies:** Quality Management Policy Sentinel Event Policy

Purpose: To ensure that the Mid-State Health Network (MSHN) provider network establishes a critical incident reporting system to effectively prevent, detect, remediate incidents that cause harm to individuals served in accordance with the Michigan Department of Health and Human Services (MDHHS)/Pre-Paid Inpatient Health Plan (PIHP)Contract, and Critical Incident Reporting and Event Notification System.

Policy: MSHN delegates the responsibility for preventing, detecting, and remediating critical incidents to its Community Mental Health Services Program (CMHSP) Participants. MSHN retains the responsibility for oversight and monitoring of the CMHSP participants and reporting to MDHHS.

A. CMHSP Participants
- Report critical incidents within required timeframes as required to MSHN.

B. Where a County of Financial Responsibility (COFR) agreement exists, the COFR shall report the critical incidents.
- Ensure a process is in place to remediate critical incidents and provide remediation documentation within the required timeframes.
- Establish quality improvement processes to prevent the recurrence of critical incidents.

C. MSHN
- Report critical incident data as required to MDHHS.
- Analyze critical incident data quarterly to identify regional trends.
- Ensure monitoring of timeliness, completeness, and accuracy of all submitted critical incident reports, including implementation of corrective actions when deficiencies are identified.
- Conduct oversight and monitoring through the review of reports and analysis by the Quality Improvement Council and provider network monitoring site reviews process.
-

D. Critical incidents are defined and categorized in alignment with MDHHS Critical Incident Reporting Requirements and include the following incidents: suicide, non-suicide death, emergency medical treatment due to injury, injury during fall, or medication error, hospitalization due to injury, injury during fall, or medication error, arrest, and other events requiring notification. All critical incidents and event notifications must be submitted through the MDHHS Behavioral Health Critical Incident Reporting System (BH-CRM), in accordance with MDHHS requirements. Remediation, including root cause analysis and corrective action, is required for critical incidents that are not reported timely, involve medication errors, injuries due to falls, physical management, or as requested by MDHHS.

~~D.~~ The following incidents are to be reported to MSHN as indicated below:~~.~~

1. **Suicide:** Individuals who were actively receiving services at the time of death, and any who have received emergency services within 30 days prior to death.

a. Once it has been determined whether a death was suicide, the suicide must be reported within 30 days after the end of the month in which the death was determined.
b. If 90 calendar days have elapsed without a determination of cause of death, the PIHP must submit a "best judgment" determination of whether the death was a suicide. In this event, the CMHSP reports the incident, with the submission due within 30 days after the end of the month in which this "best judgment" determination occurred.

2. **Non-suicide death**: Individuals who were actively receiving services and were:
   a. Living in a Specialized Residential (per Administrative Rule R330.1801-09) or a child-caring institution, or,
   b. Receiving any of the following:
      - Community Living supports,
      - Supports Coordination,
      - Targeted Case management
      - Assertive Community Treatment (ACT)
      - Home-Based
      - Wrap-Around
      - Habilitation Supports Waiver (HSW)
      - Serious Emotional Disturbance (SED)
      - ~~Waiver~~ Child Waiver Services (CWS)
      - 1915 iSPA Services

   If reporting is delayed because the PIHP is determining whether the death was due to suicide, the submission is due within 30 days after the end of the month in which the PIHP determined the death was not due to suicide.

3. **Emergency Medical Treatment due to Injury, Injury during Fall, or Medication Error:**
   Individuals who at the time of the event were actively receiving services and were:
   a. Living in a 24-hour Specialized Residential setting (per the Administrative Rule R330.1801-09) or in a Child-Caring Institution, or
   b. Receiving any of the following:
      - Habilitation Supports Waiver (HSW) Services or
      - Serious Emotional Disturbance (SED) Waiver Services or
      - Child Waiver Program (CWP) Services.
      - 1915 iSPA Services

   Emergency medical treatment includes services provided in an emergency department or urgent care setting in response to an injury, injury during fall, or medication error. Reporting must specify whether the injury was due to a fall or a result of physical management. The PIHP must report incidents resulting in emergency medical treatment due to injury, injury during fall, or medication error within 60 days after the end of the month in which the emergency medical treatment began.

   Remediation: Remediations are required for critical incidents that are not reported in a timely manner, for emergency medical treatment due to medication errors, falls, are a result of physical management or requested by ~~MDDHS~~ MDHHS upon review of the critical incident. Remediations are due within 30 days of the reported date to CRM, or the date requested by MDHHS.

4. **Hospitalization due to Injury, Injury during Fall, or Medication Errors**: Individuals who at the time of the event were actively receiving services and met any one of the following two conditions:
   a. Living in a 24-hour Specialized Residential setting (per the Administrative Rule

R330.1801- 09) or in a Child-Caring Institution, or

b. Receiving any of the following:
   - Habilitation Supports Waiver (HSW) Services or
   - Serious Emotional Disturbance (SED) Waiver Services or
   - Child Waiver Program (CWP)
   - 1915 iSPA Services

Hospitalizations for psychiatric or behavioral health treatment alone are not reportable unless associated with an injury, injury during to fall, or medication error. Reporting must specify whether the hospitalization was due to a injuring during fall or a result of physical management. The PIHP must report incidents resulting in hospitalization due to injury or medication error within 60 days after the end of the month in which the hospitalization began.

Remediation: Remediations are required for critical incidents that are not reported in a timely manner, for hospitalizations due to medication errors, injury during falls, are a result of physical management or requested by ~~MDDHS~~ MDHHS upon review of the critical incident. Remediations are due within 30 days of the reported date to CRM, or the date requested by MDHHS.

5. **Arrests**: Individuals who, at the time of their arrest were actively receiving services and met any one of the following two conditions:
   a. Living in a 24-hour Specialized Residential setting (per the Administrative Rule R330.1801- 09) or in a Child-Caring Institution, or
   b. Receiving any of the following:
      - Habilitation Supports Waiver (HSW) Services or
      - Serious Emotional Disturbance (SED) Waiver Services or
      - Child Waiver Program (CWP)

6. **Unexpected Deaths**: Individuals who at the time of their deaths were receiving specialty supports and services, are subject to additional review and must include:
   a. Screens of individual deaths with standard information (e.g., coroner's report, death certificate)
   b. Involvement of medical personnel in the mortality reviews
   c. Documentation of the mortality review process, findings, and recommendations
   d. Use of mortality information to address quality of care
   e. Aggregation of mortality data over time to identify possible trends~~.~~

7. **Death-State Operated Service Discharge**: a written report of any death of an individual (Medicaid) who was discharged from a State operated service within the previous 12 months shall be submitted to MDHHS within 60 days after the month in which the death occurred.

Event Notification: Immediately reportable events through the BH-CRM system:~~.~~

A. Any death that occurs as a result of suspected staff member action or inaction or any death that is the subject of a recipient rights, licensing, or police investigation ~~shall~~ must be submitted electronically to the MDHHS BH-CRM, within 48 hours, of either the death, or the PIHPs receipt of notification of the death, or the PIHPs receipt of notification that a rights, licensing, and/or police investigation has commenced. Notification to the sentinelevents@midstatehealthnetwork.org email is required to begin the BH-CRM submission process.

The following information is to be included in the email submission:

a. Name of beneficiary
b. Beneficiary ID number (Medicaid, MiChild)
c. Consumer ID (CONID) if there is no beneficiary ID number~~.~~
d. Date, time, and place of death (licensed foster care facility include license number~~.~~)

e. Preliminary cause of death
f. Contact person's name and Email address.

~~A.~~B. Relocation of a consumer's placement due to licensing suspension or ~~revocation. Must~~revocation must be reported within 5 business days.

~~B.~~C. An occurrence that requires the relocation of any PIHP or provider panel service site, governance, or administrative operation for more than 24 hours~~. M~~ must be reported within five (5) business days.

~~C.~~D. The conviction of a PIHP or provider panel staff members for any offense related to the performance of their job duties or responsibilities which results in exclusion from participation in federal reimbursement~~. M~~ must be reported within five (5) business days.

~~D.~~ Any changes to the composition of the provider network organizations that negatively affect access to care. The PIHPs shall have procedures to address changes in its network that negatively affect access to care. Changes in provider network composition that the MDHHS determines to negatively affect recipient access to covered services must be reported within seven (7) days and may be subject to MDHHS review and action if access to care is negatively impacted. ~~may be grounds for sanctions. Must be reported within seven (7) days.~~

E. Critical incidents which may be newsworthy or represent a community crisis must be reported to the MSHN Chief Executive Officer (CEO), the sentinelevents@midstatehealthnetwork.org email, and MDHHS immediately.

~~E.~~F. If a MSHN staff is the point of contact for a critical incident report for a member of the provider network, that staff member must report this immediately to the MSHN CEO, MSHN Chief Quality and Compliance Officer, and the Quality Manager.

Applies to:

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

Definitions:

ACT: Assertive Community Treatment
BH-CRM: Behavioral Health Critical Incident Reporting System
CMHSP: Community Mental Health Service Programs
COFR: County of Financial Responsibility
Critical Incident: An event that results in, or has the potential to result in, harm to a beneficiary receiving services, as defined by MDHHS reporting requirements
CWP: Children's Waiver Program
CWS: Children's Waiver Services
HSW: Habilitation Supports Waiver
MSHN: Mid-State Health Network
MDHHS: Michigan Department of Health and Human Services
PIHP: Pre-Paid Inpatient Health Plan
SED: Serious Emotional Disturbance
iSPA-State Plan Amendment
Unexpected Deaths: Deaths that resulted from suicide, homicide, an undiagnosed condition, were accidental, or were suspicious for possible abuse or neglect.

Other Related Materials:
References/Legal Authority:

MDHHS/PIHP Contract
MDHHS Quality Assessment and Performance Improvement Program for Specialty Prepaid Inpatient Health Plans Technical Requirement
MDHHS Critical Incident Reporting and Event Notification Policy

Change Log:

Date of Change	Description of Change	Responsible Party
07.01.2014	New Policy	Chief Compliance Officer
05.12.2015	Added COFR clarification	Chief Compliance Officer
03.2017	Annual Review	Director of Compliance, Customer Service & Quality
03.2018	Annual Review	Director of Compliance, Customer Service & Quality
03.2019	Annual Review, added unexpected death review	Quality Manager
10.2020	Biennial Review	Quality Manager
10.2022	Biennial Review	Quality Manager
10.2024	Biennial Review, added 1915 iSPA and additional event notifications included in MDHHS Event Notification Policy	Quality Manager
04.2026	Biennial Review and language clarification	Director of Compliance, Customer Service & Quality

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POLICIES AND PROCEDURE MANUAL

Chapter:	Quality		
Title:	Incident Review for Substance Use Disorder (SUD) Providers		
Policy: ☒ Procedure: ☐ Page: 1 of 4	Review Cycle: Biennial Author: Quality Manager	Adopted Date: 07.07.2020 Review Date: 03.04.2025	Related Policies: Quality-Sentinel Events Policy

Purpose: To ensure that the Mid-State Health Network (MSHN) Pre-Paid Inpatient Health Plan (PIHP) is in compliance with the Michigan Department of Health and Human Services (MDHHS), Medicaid Managed Specialty Supports and Services Contract, Substance Use Disorder (SUD) Incident Review for Sentinel Event Reporting.

Policy: —MSHN delegates responsibility to its Substance Use Disorder Providers, with oversight and monitoring by MSHN, for collecting, ~~and~~reporting, and analyzing all critical incidents and sentinel events that meet the criteria as specified in the MDHHS Sentinel Events Data Report and the SUD Provider Manual. The SUD Provider reviews, at a minimum, the ~~following~~ critical incidents for those who reside in a 24-hour specialized residential substance use disorder treatment settings ~~and recovery housing~~.

A. Provider Responsibilities

1. The provider reports the critical incidents as required to MSHN on a quarterly basis for analysis, reporting, and aggregation.
2. The provider is responsible for ensuring a process is in place to recommend and implement quality improvement processes in an effort to prevent the reoccurrence of critical incidents and sentinel events.
3. The provider must determine whether an incident meets criteria for a sentinel event within three (3) business days of occurrence. If classified as a sentinel event, a root cause analysis must be initiated within two (2) additional business days. Events determined to be sentinel events require immediate notification to MSHN via email to sentinelevents@midstatehealthnetwork.org. Additionally, deaths of recipients (regardless of cause) and all administrations of Narcan should be reported within 48 hours to MSHN via email to sentinelevents@midstatehealthnetwork.org.

B. MSHN Responsibilities

1. MSHN reports to ~~the~~ MDHHS, critical incident and sentinel event data as required and in accordance with the Medicaid Contract.
2. Oversight and monitoring will be conducted by MSHN through the review of reports, analysis, and provider network monitoring desk audit and site reviews.
    - ~~All incidents should be reviewed to determine if the incidents meet the criteria and definitions for a sentinel event and if they are related to practice of care. The outcome of this review is a classification of incidents as either a) sentinel events, or b) non-sentinel events.~~

~~B.~~ C. Required Incident Reporting: -

1. A Critical Incident is any of the following, ~~(~~which ~~should~~ must be reviewed to determine whether it

meets the criteria ~~for~~ of a sentinel event ~~as described below).~~:

- Death of a recipient
- Serious illness requiring admission to a hospital.
- Alleged cause of abuse or neglect
- Accident resulting in injury to recipient requiring emergency room visit or hospital admission
- Arrest and/or conviction
- Serious challenging behaviors
- Medication error

a. Accidents resulting in injuries that result in death or loss of limb or function, and which required visits to emergency rooms, medi-centers and urgent care clinics/centers and/or admissions to hospital should be included in the reporting. In many communities where hospitals do not exist, medi-centers and urgent care clinics/centers are used in place of hospital emergency rooms.

b. Physical illness resulting in admission to a hospital does not include planned surgeries, whether inpatient or outpatient. It also does not include admissions directly related to the natural course of the person's chronic illness, or underlying condition. For example, hospitalization of an individual who has a known terminal illness in order to treat the conditions associated with the terminal illness is not a sentinel event.

c. Serious Challenging Behaviors are those not already addressed in a treatment plan and include significant (in excess of $100.00) property damage, attempts a self-inflicted harm or harm to others, or unauthorized leaves of absence that result in death or loss of limb or function to the individual or risk thereof. All unauthorized leaves from residential treatment are not sentinel events in every instance)

d. Serious physical harm is defined by the State of Michigan Administrative Code for Health and Human Services (330.7001 Rights of Recipients) as "physical damage suffered by a recipient that a physician or registered nurse determines caused or could have caused the death of a recipient, caused the impairment of his or her bodily functions, or caused the permanent disfigurement of a recipient."

~~1.~~ e. Medication Errors means a) wrong medication; b) wrong dosage; c) double dosage; or d) missed dosage which resulted in death or loss of limb or function or the risk thereof. It does not include instances in which consumers have refused medication.

D. Sentinel Event Reporting

A sentinel event is a Patient Safety Event that reaches a patient and results in any of the following:

- Death (which is not by natural cause or does not occur as a natural outcome to a chronic condition (e.g. terminal illness) or old age)
- Permanent harm
- Severe temporary harm and intervention required to sustain life

An event can also be considered sentinel event even if the outcome was not death, permanent harm, severe temporary harm and intervention required to sustain life.

~~2. Death: that which is not by natural cause or does not occur as a natural outcome to a chronic condition (e.g. terminal illness) or old age.~~

~~3. Accidents resulting in injuries that result in death or loss of limb or function, and which required visits to emergency rooms, medi-centers and urgent care clinics/centers and/or admissions to hospital should be included in the reporting. In many communities where hospitals do not exist, medi-centers and urgent care clinics/centers are used in place of hospital emergency rooms.~~

~~4. Physical illness resulting in admission to a hospital does not include planned surgeries, whether inpatient or outpatient. It also does not include admissions directly related to the natural course of the person's chronic illness, or underlying condition. For example, hospitalization of an individual who has a known terminal illness in order to treat the conditions associated with the terminal illness is not a sentinel event.~~

~~5. Serious Challenging Behaviors are those not already addressed in a treatment plan and include significant (in excess of $100.00) property damage, attempts at self-inflicted harm or harm to others, or unauthorized leaves of absence that result in death or loss of limb or function to the individual or risk thereof. All unauthorized leaves from residential treatment are not sentinel events in every instance)~~

~~6. Serious physical harm is defined by the State of Michigan Administrative Code for Health and Human Services (330.7001 Rights of Recipients) as "physical damage suffered by a recipient that a physician or registered nurse determines caused or could have caused the death of a recipient, caused the impairment of his or her bodily functions, or caused the permanent disfigurement of a recipient."~~

~~7. Medication Errors mean a) wrong medication; b) wrong dosage; c) double dosage; or d) missed dosage which resulted in death or loss of limb or function or the risk thereof. It does not include instances in which consumers have refused medication.~~

~~**Event Notification**~~

- ~~All incidents should be reported to MSHN quarterly (January 15, April 15, July 15, October 15) as indicated in the reporting requirements. Additionally, deaths of recipients and all administrations of Narcan should be reported witEvents determined to be sentinel events require immediate notification to MSHN.~~
- ~~Deaths as a result of suspected staff action or inaction, or any death that is the subject of a recipient rights investigation, licensing, or police investigation requires additional information to be submitted to the Quality Manager at MSHN for reporting to MDHHS.~~

~~The additional information includes the following:~~

~~a. Name of beneficiary~~
~~b. Beneficiary ID number (Medicaid ID/MIChild ID)~~
~~c. Consumer ID (COND) if there is no beneficiary ID number.~~
~~d. Date, time and place of death (if a licensed foster care facility, include the license#)~~
~~e. Preliminary cause of death~~
~~f. Contact person's name and E-mail address.~~

~~**Response to a Sentinel Event**~~

~~An "appropriate response" to a SUD sentinel event includes all the following.~~

- ~~Formalized team response that stabilizes the individual served, discloses the event to the individual served and family, and provides support for the family as well as staff involved in the event.~~
- ~~Notification of organization leadership~~
- ~~Immediate investigation~~
- ~~Completion of a comprehensive systematic analysis for identifying the causal and contributory factors~~
- ~~Strong corrective actions derived from the identified causal and contributing factors that eliminate or control system hazards or vulnerabilities and result in sustainable improvement over time~~
- ~~Timeline for implementation of corrective actions~~
- ~~Systemic improvement with measurable outcomes~~

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:

MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PIHP: Pre-Paid Inpatient Health Plan
SUD: Substance Use Disorder
Unexpected Deaths: Deaths that resulted from suicide, homicide, an undiagnosed condition, were accidental, or were suspicious for possible abuse or neglect.
Sentinel Event: An "unexpected occurrence involving death or serious physical or psychological injury, or the risk thereof. Serious injury specifically includes loss of limb or function. The phrase, 'or risk thereof' includes any process variation for which a recurrence would carry a significant chance of a serious adverse outcome." (JCAHO, 1998)
24- hour Specialized Setting: Means substance abuse residential treatment programs.
Recovery Housing: Recovery housing provides a location where individuals in early recovery from a behavioral health disorder are given the time needed to rebuild their lives, while developing the necessary skills to embark on a life of recovery. This temporary arrangement will provide the individual with a safe and secure environment to begin the process of reintegration into society, and to build the necessary recovery capital to return to a more independent and functional life in the community. These residences provide varying degrees of support and structure. Participation is based on individual need and the ability to follow the requirements of the program. (Excerpt from the proposed Substance Use Disorder Benefit Package for the state of Michigan)

Other Related Materials:
MSHN Sentinel Event Policy
MSHN SUD Provider Manual

References/Legal Authority:
MDHHS/PIHP Contract.
SUD Non-Medicaid Reporting Instructions
MDHHS Sentinel Events Data Report
MDHHS Substance Use Disorder Benefit Package for the State of Michigan

Change Log:

Date of Change	Description of Change	Responsible Party
03.2020	New Policy to address incident review requirement	Quality Manager
10.2020	Biennial Review	Quality Manager
10.2022	Biennial Review	Quality Manager
12.2024	Biennial Review – Added language consistent with the MDHHS Technical Requirement	Chief Compliance and Quality Officer
04.2026	Biennial Review	Chief Compliance and Quality Officer

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POLICIES AND PROCEDURE MANUAL

Chapter:	**Quality**		
Title:	**Medicaid Event Verification**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 3	**Review Cycle: Biennial** **Author:** Medicaid Event Internal Auditor and Chief Compliance & Quality Officer	**Adopted Date: 01.05.2016** **Review Date: 03.04.2025**	**Related Policies:** Monitoring and Oversight

Purpose

To establish guidelines as the Pre-Paid Inpatient Health Plan (PIHP) for the development and implementation of the Mid-State Health Network (MSHN) process for conducting monitoring and oversight of the Medicaid, Healthy Michigan Plan and Substance Use Disorder (SUD) Block Grant claims/encounters submitted within the Provider Network. To ensure compliance with federal and state regulations, and to establish standardized process for review of claims/encounters in accordance with the Michigan Department of Health and Human Services (MDHHS) Medicaid Verification Process.

Policy

MSHN shall create, implement and maintain a published process to monitor and evaluate its Provider Network to ensure compliance with federal and state regulations. This includes protocol for how monitoring and oversight of any claims/encounters provided to beneficiaries of Medicaid, Healthy Michigan and SUD Block Grant services will be completed.

A. MSHN shall conduct a full monitoring and verification process on a selected sample of claims/encounters. The reviews will be completed as follows:
    1. Community Mental Health Service Programs (CMHSPs) bi-annually
    2. Substance Use Disorder providers annually
        - Full review biennially
        - Interim review during non-full review year
    3. Any provider (including subcontractors of the CMHSP and SUD providers) that represents more than 25% of MSHN claims/encounters in either unit volume or dollar value annually. The 25% of unit volume will be determined using the claims/encounters billed to MSHN with each submitted claim/encounter equaling 1 unit of claims/encounters.
    4. Any Provider that MSHN directly contracts with for services that are paid utilizing Medicaid, Healthy Michigan Plan, or Block Grant funding.
    5. Upon termination of a Provider contract with MSHN.

MSHN reserves the right to conduct further reviews of the Provider Network on an as needed basis.

B. The claim/encounter review process may consist of the following components:
    1. Desk Audit: This component will consist of a pre-review of select policies, protocols, and documents and other resource material submitted by the Provider Network to the PIHP for review prior to the on-site visit. This may also include review of documentation to support submitted claims/encounters in lieu of an on-site visit.
    2. On-Site Audit: This component will consist of an on-site visit to the Provider Network to review and validate process requirements.
    3. Claim/Encounter Review: The PIHP shall pull a random sample of Medicaid, Healthy Michigan Plan and SUD Block Grant participants to complete verification of submitted claims/encounters.
    4. Data Review and Analysis: This component includes analysis of the Provider Network.

C. Overall responsibility for the claim/encounter verification and updating of the monitoring evaluation tool shall rest with the PIHP. The tool shall be reviewed on an annual basis to ensure functional utility; and updated as necessary due to changing regulations, new contract terms and

operational feedback received.

D. MSHN shall create its verification schedule at least 45 days in advance of its review.

E. Following the review, MSHN shall develop a Medicaid Event Verification Report detailing the results of its verification review for the Provider. The Medicaid Event Verification report shall include the following:
   1. A summary detailing the PIHP's overall review process and findings;
   2. Details pertaining to each claim/encounter reviewed
   3. "Findings" (if applicable) that will require corrective action for claims/encounters that are found not to be in substantial compliance with federal and state standards.
   4. "Recommendations" (If applicable) pertaining to any quality improvement or best practice suggestions. These do not require corrective action.
   5. All claims/encounters found to be invalid that will require correction either by resubmission or voiding.
   6. Recoupment of funds for any fee for service provider for any claims/encounters that are found to be invalid.

   The PIHP shall submit the verification report to the Provider within thirty (30) days of the verification audit conclusion.

F. Report summary findings of the MSHN Medicaid Event Verification audits shall be shared with MSHN Board of Directors, Corporate Compliance Committee, Operations Council, Quality Improvement Council, and other MSHN councils as appropriate.

G. MSHN will report any suspected fraud, waste or abuse related to claims/encounters and beneficiary utilization of authorized services discovered during the Medicaid Event Verification Process to MDHHS-Office of Inspector General as required

H. MSHN shall submit an annual report to MDHHS per the contract requirements, due December 31, covering the claims/encounter audit process.
   1. Cover letter on PIHP letterhead
   2. Description of the methodology used by the PIHP, including all required elements previously described.
   3. Summary of the results of the Medicaid event verification process performed, including: population of the providers, number of providers tested, number of providers put on corrective action plans, number of providers on corrective action for repeat/continuing issues, number of providers taken off of corrective action plans, population of claims/encounters tested (units and dollar value), claims/encounters tested (units and dollar value), and invalid claims/encounters identified (units and dollar value).

I. MSHN will maintain all documentation supporting the verification process as required by state and federal regulation.

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:

Covered Service: Any service defined by the Michigan Department of Health and Human Services as required service in the Medicaid Specialty Supports and Services benefit
CMHSP: Community Mental Health Service Program
CPT Code: Current Procedural Terminology Code (CPT) is a medical code set that is used to report medical, surgical, and diagnostic procedures and services to entities such as physicians, health insurance companies and accreditation organizations.

Documentation: Documentation may be written or electronic and will correlate the service to the plan. Clinical documentation must identify the consumer and provider, must identify the service provided, date and time of the service. Administrative records might include monthly occupancy reports, shift notes, medication logs, personal care and community living support logs, assessments, or other records.
Finding: A federal or state standard found out of compliance. A finding requires a corrective action to ensure compliance with federal and state guidelines.

HCPCS: Healthcare Common Procedure Coding System: set of health care procedure codes based on the American Medical Associations Current Procedural Terminology (CPT)
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PIHP: Prepaid Inpatient Health Plan
Provider Network: refers to a CMHSP Participant and all Behavioral Health Providers that are directly under contract with the MSHN PIHP to provide services and/or supports through direct operations or through the CMHSP's subcontractors
Random Sample: A computer generated selection of events by provider and HCPCS, Revenue, or CPT Code or Code Category. The auditor then randomly picks the events to review from the list of events
Recommendation: A quality improvement suggestion that is meant to guide quality improvement discussion and change. A recommendation does not require corrective action.
Record Review: A method of audit includes administrative review of the consumer record.
Subcontractors: Refers to an individual or organization that is directly under contract with the CMHSP to provide service or supports
SUD: Substance Use Disorder

Other Related Materials
MSHN Medicaid Event Verification Procedure

References/Legal Authority
Medicaid Managed Specialty Supports and Services Concurrent Contract
Michigan Department of Health and Human Services (MDHHS) Medicaid Verification Process
Behavioral Code Charts and Provider Qualifications

Change Log:

Date of Change	Description of Change	Responsible Party
12.2015	New Policy	Director of Compliance, CS & Quality
03.2017	Annual Review	Director of Compliance, CS & Quality
03.2018	Annual Review	Director of Compliance, CS & Quality
03.2019	Annual Review, removed monthly review of reports of claims and encounters	Quality Manager
10.2020	Biennial Review	Quality Manager
08.2022	Biennial Review	Chief Compliance & Quality Officer
12/2024	Biennial Review	Chief Compliance and Quality Officer
05/2026	Added language for reviewing for fraud fro billings and beneficiary utilization as required by the OIG	Chief Compliance and Quality Officer

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POLICIES AND PROCEDURE MANUAL

Chapter:	**Service Delivery System**		
Title:	**Children With ~~Severe~~ Serious Emotional Disturbances Home and Community-Based Services Waiver (SEDW) Policy**		
Policy: ☒ **Procedure:** ☐ **Page: 1 of 2**	**Review Cycle:** Biennial **Author:** Chief Behavioral Health Officer	**Adopted Date:** 11.10.2020 **Review Date:** ~~11.12.2024~~12.05.2025	**Related ~~Policies~~Procedures:** Children with Serious Emotional Disturbances Home and Community-Based Services Waiver (SEDW) Disenrollment and Transfer Procedure

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 Children with ~~Severe~~ Serious Emotional Disturbances Home and Community-Based Waiver (SEDW) program which provides services that are enhancements or additions to Medicaid State Plan coverage for beneficiaries up to age 21 with serious emotional disturbance (SED) who are enrolled in the SEDW. Michigan Department of Health and Human Services (MDHHS) operates the SEDW through contracts with the Prepaid Inpatient Health Plans (PIHPs). The SEDW is a managed care program administered by the PIHPs in partnership with CMHSPs and other community agencies.

Policy

MSHN shall administer the SEDW program in accordance with the Prepaid Inpatient Health Plan (PIHP) contract and the Michigan Medicaid Provider Manual (MMPM).

I. Key Provisions

The SEDW program enables Medicaid to fund necessary home and community-based services for children up to age 21 (one day prior to 21st birthday) with SED who meet the criteria for admission to a state inpatient psychiatric hospital and/or who are at risk of hospitalization without waiver services. The PIHP is responsible for assessment of potential waiver candidates.

Application for the SEDW is made through the PIHP. The PIHP is responsible for the coordination of the SEDW services. ~~The Wraparound Facilitator, the beneficiary and their family and friends, and other professional members of the planning team work cooperatively to identify the beneficiary's needs and to secure the necessary services.~~ All services and supports must be included in an Individual Plan of Service (IPOS).

A SEDW beneficiary must receive at least one SED waiver service, in addition to ~~Wraparound~~Intensive Care Coordination with Wraparound (ICCW) or Targeted Case Management, per month ~~in order to~~to retain eligibility.

The SEDW has two certification categories:

A. ~~SEDW – Traditional~~Not Open to Foster Care: the youth resides with their legal parent(s)/guardian(s) (with or without Medicaid); this category includes private and/or

internation adoptions.

B. ~~SEDW – Department of Health and Human Services (DHHS) Project~~Open to Foster Care: the youth has an open foster care case through MDHHS OR the youth was adopted out of the Michigan Child Welfare System.

II. Eligibility

SEDW beneficiaries must be enrolled through the Michigan Department of Health and Human Services (MDHHS) enrollment process by the PIHP designee. The enrollment process must include verification that the beneficiary meets the following (~~all~~ ALL must apply):

A. Reside with the birth or adoptive family or have a plan to return to the birth or adoptive home; OR

~~A.~~B. ~~r~~Reside with a legal guardian; OR
~~B.~~C. Reside in a foster home with a permanency plan; OR
~~C.~~D. Be age 18, 19, or 20 ~~or age 19~~ and live independently with supports~~.~~; AND

~~D.~~E. Meet current MDHHS criteria for the state psychiatric hospital for children OR is at risk of hospitalization without waiver services.

1. Medicaid Provider Manual Inpatient Admission Criteria: Children Through Age 21: (MMPM Section 8 – Inpatient Psychiatric Hospitalization Admission; 8.5.C)
    - The individual must meet all three criteria:
        - Diagnosis
        - Severity of illness
        - Intensity of services; AND

~~E.~~F. Meet Medicaid eligibility criteria and become a Medicaid beneficiary. Medicaid is the only funding source ~~from~~ for the SEDW. Under Section (C) of the Social Security Act, it allows states to waive parental assets and income and make a child eligible for Medicaid as a "family of one."; AND

G. Demonstrate serious functional limitations that impair the ability to function in the community. As appropriate for age, functional limitation will be identified using the Child and Adolescent Functional Scale (CAFAS), or the Devereux Early Childhood Assessment (DECA) Clinical Version scales:

1. CAFAS score of 90 or greater for beneficiaries ages 7 to 12; OR
2. CAFAS score of 120 or greater for beneficiaries ages 13 to 18; OR
3. For beneficiaries ages 3 to 7, elevated PECFAS subscale scores in at least one of these areas: self-harmful behaviors, mood/emotions, thinking/communicating, or behavior towards others; OR
4. For beneficiaries ages 2 to 4, scores in the concern range across DECA Clinical Version scales:
    - Protective factor scales (initiative, self-control, and attachment) that are in the Concern Range with a Total Protective Factor T-score of 40 or below; AND/OR
    - Elevated scores on one or more of the behavioral concerns 32 scales (attention problems, aggression, withdrawal/depression, emotional control problems) with a T-score of 60 or above;

~~AND~~

H. Be under the age of 18 when approved for the waiver. If a beneficiary on the SEDW turns 18, continues to meet all non-age-related eligibility criteria, and continues to need waiver services, they can remain on the waiver up to their 21st birthday.

I. The PIHP/CMHSP must use the Decision Support Model criteria from the Michigan Child and Adolescent Needs and Strengths (MichiCANS) Comprehensive Decision Support Model tool to measure functional limitations for the purposes of determining eligibility for SEDW.

J. The Child and Adolescent Functional Assessment Scale (CAFAS), Preschool and Early Childhood Functional Assessment Scale (PECFAS), and Devereaux Early Childhood Assessment (DECA) are required tools through state spending and CMS notification of close-out of American Rescue Plan Act Section 9817 funding as listed below:

- For new applicants, MDHHS must use either the CAFAS, PECFAS, or DECA and the MichiCANS. If the results are different and one tool indicates eligibility, MDHHS must apply the results that establish the applicant is eligible.
- For children, youth, or young adults receiving a re-evaluation of eligibility, MDHHS must use the MichiCANS. If the results indicate that a participant is no longer eligible, MDHHS must verify ineligibility with either the CAFAS, PECFAS or DECA.

~~F. As appropriate for age, functional limitation will be identified using the Child and Adolescent Functional Assessment Scale (CAFAS®), the Preschool and Early Childhood Functional Assessment Scale (PECFAS®), or the Devereaux Early Childhood Assessment (DECA) Clinical Version scales:~~

~~1. CAFAS score of 90 or greater for beneficiaries age 7 to 12; OR~~

~~2. CAFAS score of 120 or greater for beneficiaries age 13 to 18; OR~~

~~3. For beneficiaries ages 3 to 7, elevated PECFAS subscale scores in at least one of these areas: self-harmful behaviors, mood/emotions, thinking/communicating, or behavior toward others; OR~~

~~4. For beneficiaries ages 2 to 4, scores in the concern range DECA Clinical Version scales:~~

~~• Protective factor scales (initiative, self-control, and attachment) that are in the Concern Range with a Total Protective Factor T-score of 40 or below and/or~~

~~•~~K. ~~Elevated scores on one or more of the behavioral concerns scales (attention problems, aggression, withdrawal/depression, emotional control problems) with a T-score of 60 or above;~~ AND

~~G.~~A. ~~Be under the age of 18 when approved for the waiver. If a beneficiary on the SEDW turns 18, continues to meet all non-age-related eligibility criteria, and continues to need waiver services, they can remain on the waiver up to their 21st birthday.~~

~~H.~~L. Other SEDW Eligibility Considerations:

1. Must have a primary Serious Emotional Disturbance (SED) qualifying diagnosis
2. Must receive at least one SEDW service ~~(other than Wraparound)~~ per month in addition to Intensive Care Coordination with Wraparound (ICCW) or Targeted Case Management (TCM) in order to retain eligibility
3. Eligibility is good for one year
4. Eligibility is reviewed annually
5. ~~SEDW is intended for one year, with the possibility of a second year~~

~~I.~~M. Denial of the SEDW

1. PIHPs must provide parents with notice of denial and right to Medicaid Fair Hearing whenever the SEDW is denied. (This is delegated by MSHN to the CMHSPs.)
2. Notice of denial must document the specific reason for the denial, based on SEDW eligibility criteria as outlined in the Medicaid Provider Manual. A timely denial letter and Adverse Benefit Determination Notice (ABDN) must be provided to the family and also shared with the PIHP and MDHHS.
3. The SEDW serves as a pathway to Medicaid, per Centers for Medicare and Medicaid Services (CMS) this pathway must not be blocked. Whenever the SEDW is specifically

requested and subsequently denied, notice of denial and right to Medicaid Fair Hearing must be provided even if ~~lesser~~less intensive service(s) ~~is~~ are offered.

N. MDHHS is no longer making an adverse determination on waiver enrollment based on the family's intent to pursue institutionalization. MDHHS will not deny enrollment or hold enrollment for the SEDW if the family is seeking residential services.

~~3.~~O. If a child/youth enrolled in the waiver program is admitted to a residential program or hospital for a full calendar month, the PIHP should switch the child/youth's waiver status to inactive using the WSA. For an inactive SEDW child/youth who have not received waiver services in three months, the PIHP should proceed with disenrollment.

III. Covered Waiver Services

Each beneficiary must have a comprehensive ~~Wraparound Plan and~~ IPOS that ~~specify~~ specifies the services and supports that the beneficiary and their family will receive. ~~The Wraparound Plan is to be developed through the Wraparound Planning Process.~~ Each beneficiary must have a ~~Wraparound Facilitator who is responsible to assist the beneficiary/family in identifying, planning and organizing the Child and Family Team, developing the Wraparoun Plan, and coordinating services and supports.~~ Care Coordinator or Case Manager who oversees and facilitates planning and coordination among the family, providers, and other team members. (Refer to the Intensive Care Coordination with Wraparound (ICCW) Services for Children and Adolescents section of the ~~Behavioral Health and Intellectual and Developmental Disability Supports and Services Section of the~~ MMPM for additional information.) ~~The Wraparound Facilitator is responsible for monitoring supports and service delivery, as well as the health and safety of the beneficiary, as part of their regular contact with the beneficiary and family.~~

In addition to Medicaid state plan services, beneficiaries enrolled in the SEDW may receive any of the following SEDW services as identified in the ~~Wraparound Plan~~ IPOS.

~~A. Child Therapeutic Foster Care (CTFC)~~
~~B.~~A. Community Living Supports (CLS)
~~C.~~B. ~~Family~~ Home Care Training – Family
~~D. Family Support and Training~~
~~E.~~C. ~~Fiscal Intermediary~~Financial Management Service~~s~~
~~F.~~D. Home Care Training, Non-Family
~~G.~~E. Overnight Health and Safety Support (OHSS) Services
~~H.~~F. Respite Care
~~I.~~G. Therapeutic Activities
1. Recreation Therapy
2. Music Therapy
3. Art Therapy
~~3.~~4. Equine Therapy

~~J.~~H. Therapeutic Overnight Camp
~~K. Transitional Services~~
I. ~~Wraparound~~ Wraparound Services (mandatory service)
1. Intensive Care Coordination with Wraparound (ICCW), OR
~~L.~~2. Targeted Case Management (TCM)

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

CAFAS: Child and Adolescent Functional Assessment Scale
CLS: Community Living Supports
CMHSP: Community Mental Health Services Program
CMS: Centers for Medicare and Medicaid Services
CTFC: Child Therapeutic ~~Foster~~ Family Care
DECA: Devereaux Early Childhood Assessment
DHHS: Department of Health and Human Services
IPOS: Individual Plan of Service
MDHHS: Michigan Department of Health and Human Services
MichiCANS: Michigan Child and Adolescent Needs and Strengths
MMPM: Michigan Medicaid Provider Manual
PECFAS: Preschool and Early Childhood Functional Assessment Scale
OHSS: Overnight Health and Safety Support
PIHP: Pre-Paid Inpatient Health Plan
SED: Serious Emotional Disturbance
SEDW: Children With ~~Severe~~ Serious Emotional Disturbances Home and Community- Based Services Waiver Program

Other Related Materials

Children With ~~Severe~~ Serious Emotional Disturbance Home and Community-Based Services Waiver (SEDW) Disenrollment and Transfer Procedure

References/Legal Authority

Medicaid Managed Specialty Supports and Services FY23 MDHHS/PIHP Contract
Michigan Medicaid Provider Manual

Change Log:

Date of Change	Description of Change	Responsible Party
07.2020	NEW Policy	Chief Behavioral Health Officer
09.2022	Biennial Review	Chief Behavioral Health Officer
02.2024	Biennial Review	Waiver Coordinator
12.2025	Annual Review	Waiver Coordinator – Youth

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TENTATIVE

FY2027 MID-STATE HEALTH NETWORK

REGIONAL BOARD OF DIRECTORS POLICY COMMITTEE

MEETING CALENDAR

(All meetings are scheduled to convene at 4:00 p.m. unless otherwise noted)

Meeting Date	Meeting Location
November 10, 2026 *(Adjusted due to Election Day)*	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
January 5, 2027	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
March 2, 2027	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
May 4, 2027	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
July 13, 2027 *(Adjusted due to Holiday)*	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
September 7, 2027	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801

Calendar is tentative until Committee approved