MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.

Jackii Prokop

Director, Program Policy Division
Bureau of Medicaid Policy and Health System Innovation

Project Number:	1837-BHDDA	**Comments Due:**	November 20, 2018	**Proposed Effective Date:**	January 1, 2019

Mail Comments to: Jon Villasurda
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Policy Subject: Network Adequacy Standards

Affected Programs: Medicaid, Healthy Michigan Plan, MIChild

Distribution: Prepaid Inpatient Health Plans (PIHPs), Community Mental Health Services Programs (CMHSPs)

Policy Summary: This policy will implement network adequacy standards in Michigan's Prepaid Inpatient Health Plan (PIHP) delivery system per 42 CFR Parts 438.68 and 457.1218.

Purpose: The Centers for Medicare & Medicaid Services (CMS) promulgated its final Medicaid Managed Care Regulations in 2016. Network adequacy standards are required by states with managed care contracts, including PIHPs. This policy implements PIHP network adequacy standards and serves as the basis for incorporation of the standards into PIHP contracts.

Proposed Policy Draft

Michigan Department of Health and Human Services
Medical Services Administration

Distribution: Prepaid Inpatient Health Plans (PIHPs), Community Mental Health Services Programs (CMHSPs)

Issued: December 1, 2018 (Proposed)

Subject: Network Adequacy Standards

Effective: January 1, 2019 (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan, MIChild

General Information

The Centers for Medicare & Medicaid Services (CMS) promulgated its final Medicaid Managed Care Regulations in 2016. The Code of Federal Regulations at 42 CFR Parts 438.68 and 457.1218 charges states holding managed care contracts, including PIHPs, with the development and implementation of network adequacy standards. This policy serves as the basis for incorporating network adequacy standards into the Michigan Department of Health and Human Services' (MDHHS) contracts with the PIHPs.

Network Adequacy Standard Development and Implementation

MDHHS must adhere to the provisions of 42 CFR Parts 438.68 and 457.1218 when developing network adequacy standards. MDHHS will utilize available and recent enrollment and utilization data to develop baseline standards and contractually require PIHPs to adhere to and effectuate attainment of such standards commensurate with geographical variations. Further, MDHHS may grant exemptions from certain standards with proper documentation of relevant factors justifying the need for such an exemption. MDHHS also reserves sole discretion over the selection of specific services for which network adequacy standards are to be developed and may add, delete, or otherwise modify such standards to account for delivery system or policy changes to create optimal access to Medicaid services within the PIHP system. The network adequacy standards shall reflect services that MDHHS deems most in need of access to increase the health and wellness of Medicaid beneficiaries served in the PIHP system. MDHHS will create a procedure document to this policy that will be maintained on the MDHHS website. The procedure document will reflect the current network adequacy standards. MDHHS will incorporate network adequacy standards into PIHP contracts starting in the fiscal year (FY) 2019 rating period and thereafter.