

Administration of Complaints, Grievances and Appeals

Policy #	Policy Recommendations	Required Change/ Recommended Action	Due Date	FY18 Progress Report	Progress Clarification
3.1	An <u>independent statewide infrastructure</u> should be established by MDHHS to facilitate resolution of complaints (grievances, appeals and rights issues) that are not resolved to a complainant's satisfaction after a single attempt through a plan or local service agency (if the plan has delegated this function). Use of the new statewide process should be facilitated by a request from a complainant. <u>The new process should use independent clinical consultation</u> (termed "external medical review") when warranted by the nature of a complaint, and it should employ optional, non-binding mediation as an alternative dispute resolution method. <u>The new state entity shall provide (if desired by a complainant) qualified representation at no cost to beneficiaries.</u> These representatives will serve as impartial advocates through the process, including any State Medicaid Fair Hearings for individuals.	MDHHS is not able to move forward with this recommendation without significant investments of state funds: establishing a separate infrastructure for the resolution of complaints including external medical review, alternative dispute resolution, and no-cost legal representation would require substantial investments of state general funds. Update: MDHHS completed additional review of Federal Managed Care Rules and accreditation requirements for MHPs and PIHPs. The current process as outlined in contracts and as defined in required customer service materials is consistent with managed care rules and accreditation requirements.	NA	NA	MDHHS has determined that current practices for the administration of complaints, grievances, and appeals are consistent with federal managed care rules, accreditation requirements, and the Michigan Mental Health Code. Additionally, because the scope of the changes that are proposed under the recommendations would require substantial changes to the current system and would have a substantial impact on consumers and providers, MDHHS would only be able to proceed with exploring these changes after widespread consultation with stakeholders. Finally, many of the proposed changes would likely require the creation of new administrative capacity, which necessitates the appropriation of additional funding by the legislature. For the aforementioned reasons, the department is not able to pursue the implementation of the recommendations during the remaining time in the current administration. MDHHS will incorporate information about the 298 policy recommendations into the transition planning process for the new administration. If the new administration determines that additional action is needed to address issues related to the administration of complaints, grievances, and appeals, the department recommends completing an assessment of the current state of the system. To foster improvements in dispute resolution processes, the department would also recommend establishing a workgroup to examine and explore potential changes to the administration of complaints, grievances, and appeals. It is further recommended that the incoming administration develop a charge for this effort's scope and parameters. Reference Notes: The federal managed care rules required that "Each MCO, PIHP, and PAHP must have a grievance and appeal system in place for enrollees...Each MCO, PIHP, and PAHP may have only one level of appeal for enrollees... An enrollee may request a State Fair hearing after receiving notice that the adverse benefit determination is upheld." The National Committee on Quality Assurance (NCQA) also requires its accredited MCOS, PIHPs, and PAHPs to have appropriate policies and practices to receive and resolve member appeals.
3.2	<u>Administrative Law Judges</u> who hear cases in the Michigan Administrative Hearing System (MAHS) <u>should be required to seek and consider external clinical review findings</u> (independent of MDHHS, the complainant, and the involved service provider and payer) prior to rendering a decision or order. Other than the state Fair Hearing process (conducted through MAHS), all other individual complaints not resolved to a complainant's satisfaction by a single attempt through a plan or local service agency should be directed to the new state complaint resolution entity if so requested by the individual.				
3.3	MDHHS, in concert with stakeholders, should <u>develop an operational plan for the implementing the previous two recommendations...</u>				
3.4	MDHHS, in concert with stakeholders, should take a <u>proactive role in ensuring PIHP and MHP compliance with new federal regulations</u> related to adverse benefit determinations and grievances within these plans...	MDHHS will develop contract requirements and technical guidance to assure system compliance with federal regulations regarding adverse benefit determinations (include specific tasks, assigned responsibility and target timeline). Update: Reported complete pending CMS review of contract amendments and related document.	NA	Complete	Changes were included in FY18 contracts to assure compliance with federal managed care rules.