

Bulletin Number: MSA 18-49

Distribution: Prepaid Inpatient Health Plans (PIHPs)

Issued: November 30, 2018

Subject: Network Adequacy Standards

Effective: January 1, 2019

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 Standards 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.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink, appearing to read "Kathy Stiffler". The signature is written in a cursive, flowing style.

Kathy Stiffler, Acting Director
Medical Services Administration