

June 26, 2023

<Provider Name>  
<Provider Address 1>  
<Provider Address 2>  
<City> <State> zipcode5-zipcode4

Dear Provider:

The purpose of this letter is to provide clarification on policy and procedure related to the denial, suspension, reduction, or termination of specialty behavioral health services. This letter also serves to clarify that it is impermissible to operate waiting lists for Medicaid beneficiaries who receive specialty behavioral health services.

The Michigan Department of Health and Human Services (MDHHS) holds Prepaid Inpatient Health Plans (PIHPs) responsible for the provision of covered specialty mental health services necessary for the treatment of Medicaid beneficiaries with Serious Mental Illness, Serious Emotional Disturbance, and/or Intellectual and Developmental Disabilities. This responsibility includes comprehensive development of the service array for their catchment area. Medicaid beneficiaries shall not be placed on waiting lists for any Medicaid service. The PIHP contract requires that the PIHP initiate services within 14 calendar days of the state start date agreed upon during the person-centered planning meeting and as authorized by the PIHP. This information can be viewed in the Technical Requirements for the Appeal and Grievance Resolution Process document that is an attachment to the PIHP contract.

If a Medicaid beneficiary requests a service, the PIHP must notify the beneficiary if the service authorization request is denied. PIHPs cannot delay the approval or denial of a service request based upon the availability of providers. A decision for a request for service must be provided expeditiously and cannot exceed 14 calendar days after the request for service. An Adverse Benefit Determination must be issued if a decision for a request for services is not made within 14 days. The full definition of Adverse Benefit Determination can be found within federal regulation 42 CFR 438.400(b)(2).

Medicaid beneficiaries are entitled to "Due Process" whenever their Medicaid benefits are denied, suspended, reduced, or terminated. MDHHS is the State Medicaid Agency that is responsible for ensuring compliance of the delivery of Medicaid-funded specialty mental health services with federal regulations. MDHHS is required to ensure that beneficiaries receive: (1) prior written notice of the adverse action; (2) a fair hearing before an impartial decision maker; (3) continued benefits pending a final decision; and (4) a timely decision

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measured from the date that the complaint is first made. Federal regulation also requires MDHHS to ensure through its contracts with the PIHPs that:

1. the PIHP has a Grievance and Appeal System in place for beneficiaries that complies with Subpart F of Part 438; and
2. the PIHP is required to provide timely and “adequate” notice of any Adverse Benefit Determination.

The specific requirements for the PIHPs are outlined in the Appeal and Grievance Resolution Process requirements in the Medicaid Managed Specialty Supports and Services Contract with MDHHS. These requirements are applicable to all the PIHPs, the Community Mental Health Services Programs (CMHSPs), and their provider networks. MDHHS also developed an Appeal and Grievance Resolution Processes Technical Requirement, which can be accessed through the following link:

[www.michigan.gov/mdhhs](http://www.michigan.gov/mdhhs) >> Keeping Michigan Healthy >> Adult Behavioral Health & Developmental Disability >> Mental Health Policies & Practice Guidelines >> Appeal and Grievance Resolution Processes Technical Requirement

For a denial of payment for services that were requested by the beneficiary, the PIHP must provide notice to the beneficiary at the time of the action affecting the encounter. For a Service Authorization decision that denies or limits services, the PIHP must provide notice to the beneficiary within (1) 14 calendar days following receipt of the request for service for standard authorization decisions or (2) 72 hours after receipt of a request for an expedited authorization decision.

When a PIHP denies, suspends, reduces, or terminates Medicaid benefits for a beneficiary, the beneficiary may appeal the decision. Beneficiaries may contact the Customer Service department of their respective PIHPs to request an appeal. The contact information for the PIHPs can be accessed through the following link:

[www.michigan.gov/mdhhs](http://www.michigan.gov/mdhhs) >> Keeping Michigan Healthy >> Adult Behavioral Health & Developmental Disability >> Mental Health >> Customer Services >> CMHSP and PIHP Customer Services Representatives.

Once a Medicaid beneficiary completes a local appeal with the PIHP, the beneficiary may also request a State Fair Hearing through the Michigan Office of Administrative Hearings and Rules. Medicaid beneficiaries can access the information about this process through the following link:

[www.michigan.gov/lara](http://www.michigan.gov/lara) >> Bureaus >> Michigan Office of Administrative Hearings and Rules >> Benefit Services >> Information Regarding Public Assistance.

Beneficiaries who encounter issues with navigating the appeals process can also contact the Customer Services Hotline at 1-844-275-6324.

An electronic version of this document is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders)  
>> Policy, Letters & Forms.

Sincerely,

A handwritten signature in black ink that reads "Meghan E. Groen". The signature is written in a cursive, flowing style.

Meghan E. Groen, Director  
Behavioral and Physical Health and Aging Services Administration