

# Michigan's Comprehensive Health Care Program In Lieu of Services (ILOS) Frequently Asked Questions

Michigan Department of Health and Human Services

Last Updated: May 2025

***Disclaimer:***

*MDHHS endeavors to maintain the FAQs presented in this document, however, the ILOS Policy Guide is the definitive source for information related to all ILOS guidelines and policies.*

*Please note that any updates or changes to ILOS policies will be reflected in the ILOS Policy Guide available on the [ILOS webpage](#) and should be considered the most current guidance.*

## Table of Contents

Introduction to ILOS .....	5
<b>Purpose of this FAQ document .....</b>	<b>5</b>
ILOS Frequently Asked Questions.....	6
<b>ILOS Definitions .....</b>	<b>6</b>
1. What are ILOS?.....	6
2. What ILOS are available in Michigan? .....	6
3. Who is eligible to receive ILOS? .....	6
4. How often and for how long can an Enrollee receive an ILOS? .....	6
5. Why are Enrollees prohibited from receiving three (3) meals per day through ILOS? ..	7
6. Can Medicaid Health Plans restrict which Enrollees within the Eligible Populations they offer ILOS?.....	7
7. Is the amount of food provided via the authorized ILOS intended to serve an individual or a household? .....	7
8. What if Enrollee preferences conflict with the nutritional guidelines for an ILOS? .....	7
9. Are ILOS only meant for Enrollees who are confined to their home (“homebound”)?...	8
10. How can Medicaid Health Plans and ILOS Providers support Enrollees who may be unable to store or prepare foods?.....	8
11. How will Medicaid Health Plans ensure Enrollees are not receiving duplicative supports? .....	8
12. Are members who receive SNAP or WIC benefits eligible to receive nutrition-focused ILOS? Are SNAP or WIC benefits duplicative of nutrition-focused ILOS? .....	9
13. If an Enrollee receives an ILOS, will it impact their SNAP or WIC benefits?.....	9
14. What are “food retailers” referred to in the Produce Prescription service definition? ..	9
15. Can Medically Tailored Home Delivered Meals and Healthy Home Delivered Meals include meals that are refrigerated? .....	10
16. What kind and how much food can be provided via the Healthy Food Pack? .....	10
17. Can a Produce Prescription be provided as a produce box? .....	10
<b>ILOS Administration.....</b>	<b>10</b>
18. What is an ILOS Provider? .....	10
19. Can Medicaid Health Plans provide the Produce Prescription voucher to Enrollees directly? .....	11
20. Are for profit Michigan-based companies considered locally-based ILOS Providers? ..	11
21. How many ILOS Providers must a Medicaid Health Plan contract with when developing its ILOS Provider Network? .....	11
22. The ILOS Policy Guide requires that 30% of ILOS be delivered by “locally-based” ILOS Providers. Does this calculation differ by ILOS? .....	11

23.	What if there are not enough locally-based ILOS Providers to meet the requirement that 30% of ILOS be delivered by “locally-based” ILOS Providers? .....	12
24.	What is an ILOS Implementation Plan? .....	12
25.	Do contracts with ILOS Providers need to be executed when a Medicaid Health Plan submits its Implementation Plan? .....	12
26.	If a Medicaid Health Plan enters into a contracting agreement with a Michigan-based entity (“Intermediary”) to administer ILOS, what role will that the Intermediary play in ILOS delivery and data sharing? .....	12
<b>Enrollee Engagement.....</b>		<b>13</b>
27.	Where can Enrollees find information about ILOS offered by their Medicaid Health Plan? 13	
28.	How is an Enrollee identified for ILOS, and who can request an Enrollee be assessed to determine if they qualify for ILOS? .....	13
29.	Who is responsible for authorizing an ILOS? .....	13
30.	Do federal requirements permit the use of historical claims or diagnoses when assessing the Enrollee’s eligibility for ILOS? .....	13
31.	When is it medically appropriate for a Medicaid Health Plan to authorize an ILOS for an Enrollee?.....	14
32.	What types of providers can determine medical appropriateness?.....	14
33.	Can medical appropriateness be determined by the ILOS Provider? .....	14
34.	Can Enrollees be notified of ILOS authorization through email, text messages or telephone? .....	14
35.	What is deauthorization in the context of ILOS, and when is it appropriate for a Medicaid Health Plan to deauthorize an ILOS for an Enrollee? .....	15
36.	If an Enrollee loses Medicaid eligibility before the end of the ILOS authorization period, are Medicaid Health Plans required to send the Enrollee a deauthorization notice for ILOS? 15	
37.	Can Medicaid Health Plans refer Enrollees to ILOS Providers telephonically? .....	15
38.	What happens to an Enrollee receiving an ILOS who enrolls with a new Medicaid Health Plan? .....	15
<b>ILOS Provider Policy.....</b>		<b>16</b>
39.	What are examples of organizations that might become ILOS Providers? .....	16
40.	Are ILOS Providers expected to enroll in the Community Health Automated Medicaid Processing System (CHAMPS)? .....	16
41.	What support is available to help ILOS Providers enroll in CHAMPS? .....	16
42.	Do ILOS Providers need to have a National Provider Identifier (NPI)? .....	17
43.	If a potential ILOS Provider has multiple locations, does each location need to enroll in CHAMPS separately as an atypical provider? .....	17
44.	For each ILOS, the service definition in the ILOS Policy Guide describes the Allowable ILOS Providers. What additional information should Medicaid Health Plans include about minimum qualifications of ILOS Providers?.....	17

45.	Who will ensure that ILOS Providers adhere to all requirements outlined in the ILOS Policy Guide?.....	17
<b>ILOS Data Systems &amp; Data Sharing.....</b>		<b>17</b>
46.	What data are Medicaid Health Plans and ILOS Providers required to share? .....	17
47.	What templates has MDHHS developed to support ILOS data sharing, and are Medicaid Health Plans and ILOS Providers required to use the MDHHS-developed templates? .....	18
48.	Are Medicaid Health Plans and ILOS Providers required to collect Enrollee consent to share data necessary to deliver ILOS, and if so, can consent be collected verbally? .....	18
<b>ILOS Billing &amp; Payment .....</b>		<b>19</b>
49.	Can Medicaid Health Plans provide bonus payments to ILOS Providers? .....	19
50.	Are there required or recommended prices for the ILOS? .....	19
51.	Can the cost of an ILOS include nutrition education materials?.....	19
52.	Is the nutritional assessment included in the Medically Tailored Home Delivered Meal encounter, and how will the assessment work since Registered Dietitian Nutritionists (RDNs) are not a covered Medicaid benefit?.....	19
53.	If an ILOS Provider does not have an NPI, will an Encounter be accepted? .....	19
54.	How are food retailers paid as part of the Produce Prescription ILOS? .....	19
55.	What is the Batch Invoice template, and are Medicaid Health Plans and ILOS Providers required to use it? .....	20
<b>ILOS Monitoring &amp; Reporting .....</b>		<b>20</b>
56.	What are the reporting requirements for ILOS? .....	20
57.	How will Medicaid Health Plans be expected to report on their ILOS Provider networks? .....	20
58.	How will MDHHS monitor and oversee ILOS? .....	20

# Introduction to ILOS

---

As a part of the Department of Health & Human Services' (MDHHS) continuous commitment to deliver Michigan residents equitable, coordinated, and person-centered care, MDHHS allows Medicaid Health Plans participating in the Comprehensive Health Care Program (CHCP) to address eligible Enrollees' health-related social needs by offering In Lieu of Services (ILOS). ILOS are medically appropriate and cost-effective services provided by Medicaid Health Plans as substitutes for covered services and settings required by the Michigan Medicaid State Plan.

Medicaid Health Plans can offer the four (4) nutrition-focused ILOS outlined below and further defined in the *Michigan's Comprehensive Health Care Program: In Lieu of Services Policy Guide* ("ILOS Policy Guide") (refer to Section II. Service Definitions).

- Medically Tailored Home Delivered Meal
- Healthy Home Delivered Meal
- Healthy Food Pack
- Produce Prescription

## Purpose of this FAQ document

Medicaid Health Plans, ILOS Providers and other community partners must work together to implement ILOS and deliver medically appropriate services in an efficient, coordinated and Enrollee-centered manner.

MDHHS provides technical resources to support the implementation of ILOS including this Frequently Asked Question (FAQ) document, which addresses key ILOS questions received to date. This document will be updated quarterly.

Please submit questions about ILOS to [MDHHS-ENGAGEMedicaid@michigan.gov](mailto:MDHHS-ENGAGEMedicaid@michigan.gov).

*Medicaid Health Plans and ILOS Providers must adhere to the requirements included in the CHCP Contract ("the Contract") and outlined in the ILOS Policy Guide. This resource is intended to complement the ILOS Policy Guide.*

# ILOS Frequently Asked Questions

---

## ILOS Definitions

### 1. What are ILOS?

ILOS are services the state deems to be medically appropriate and cost effective when provided by Medicaid Health Plans as substitutes for services and settings covered in a state's Medicaid program. ILOS are subject to federal regulations (42 CFR 438.16 and 42 CFR 438.3(e)(2)). Importantly, ILOS are optional for Medicaid Health Plans to offer and for Enrollees to use.

MDHHS has identified a set of four nutrition-focused ILOS. Medicaid Health Plans that elect to offer ILOS are allowed to pay for these services that address eligible Enrollee's health-related nutrition needs.

### 2. What ILOS are available in Michigan?

There are four (4) nutrition-focused ILOS allowed in Michigan's CHCP contract, including:

1. *Medically Tailored Home Delivered Meal*, which is a fresh or frozen home delivered meal which is medically tailored for a specific disease or condition. This ILOS includes support from a certified nutrition professional.
2. *Healthy Home Delivered Meal*, which is a nutritionally-balanced, home delivered meal consisting of a hot, cold, frozen, or shelf-stable meal aimed at promoting improved nutrition for the Enrollee.
3. *Healthy Food Pack*, consisting of an assortment of medically-tailored or nutritionally-appropriate foods provided to an Enrollee.
4. *Produce Prescription*, which is voucher for the Enrollee to purchase any variety of fruits and vegetables or plants/seeds that produce fruits and vegetables.

### 3. Who is eligible to receive ILOS?

For an Enrollee to be eligible to receive an ILOS, they must be enrolled with a Medicaid Health Plan that offers ILOS in the Region where the Enrollee resides and be in the population eligible for services. Being in an eligible population means the Enrollee meets the social risk factor, a clinical risk factor and the service limitations for the specific ILOS. Because each ILOS has a different eligible population, Medicaid Health Plans should consider the Enrollee's present needs and circumstances to authorize the most appropriate ILOS type.

Please refer to the ILOS Policy Guide, Section II. Service Definitions for more information on each service, risk factors and service limitations.

### 4. How often and for how long can an Enrollee receive an ILOS?

An Enrollee can receive an ILOS for as long as it is medically appropriate. Medicaid Health Plans can authorize ILOS for a period of up to six (6) months. The duration of an ILOS authorization depends on the Medicaid Health Plan's policies and the medical appropriateness of the service for the Enrollee. At the end of the authorization period, the Medicaid Health Plan would reassess whether it is still medically appropriate for the Enrollee to continue receiving ILOS.

The Medicaid Health Plan determines how often it is medically appropriate for an Enrollee to receive an ILOS, so long as an Enrollee receives the equivalent of less than three (3) meals a day.

**5. Why are Enrollees prohibited from receiving three (3) meals per day through ILOS?**

Federal rules prohibit Medicaid programs from covering the cost of room and board under the Title XIX of the Social Security Act. Per section 4442.3.B.12 of the State Medicaid Manual and 42 CFR § 441.310(a)(2), “board” is defined as “3 meals a day or any other full nutritional regimen.” This prohibition extends to ILOS and as such, food provided through ILOS must be less than three (3) meals per day.

**6. Can Medicaid Health Plans restrict which Enrollees within the Eligible Populations they offer ILOS?**

No. If a Medicaid Health Plan elects to offer ILOS, the ILOS must be available to the entire set of eligible populations defined in the ILOS Policy Guide without the Medicaid Health Plan adding additional restrictions. If an Enrollee meets the eligibility criteria and the ILOS offered by their Medicaid Health Plan is medically appropriate for the Enrollee, the Medicaid Health Plan cannot restrict the Enrollee from receiving the ILOS.

**7. Is the amount of food provided via the authorized ILOS intended to serve an individual or a household?**

The amount of food provided via the ILOS is intended to serve the individual to whom it is authorized. Federal rules state that each ILOS must be determined and documented as medically appropriate for the specific Enrollee.

MDHHS recognizes that food insecurity often occurs at the household level and if one individual in a household is food insecure, it is likely others are as well. It is possible that a household may have more than one Enrollee that is eligible to receive the same ILOS type or another ILOS type. A Medicaid Health Plan can authorize ILOS, either the same ILOS type or a different ILOS type, for multiple Enrollees in the same household if each ILOS is determined and documented as medically appropriate for each specific Enrollee.

**8. What if Enrollee preferences conflict with the nutritional guidelines for an ILOS?**

Because ILOS are provided through Medicaid, they must address health-related nutrition needs. The nutritional guidelines in each service definition are intended to ensure that the meals and food provided through ILOS are nutritious and support the health of the Enrollees receiving them.

Enrollee preferences in relation to specific food items, portion size, dietary needs, allergy restrictions, and cultural and/or religious preferences must be taken into account, within the nutritional guidelines of the specific ILOS. For example,

- If an Enrollee expresses a preference to maintain a Halal or Kosher diet, this should be accommodated in the context of the nutrition guideline for the specific service
- If an Enrollee expresses a distaste for specific foods or a preference to avoid certain foods (e.g., gluten or dairy), this should be accommodated as is practicable in the context of the nutritional guideline for the specific service
- If the Enrollee expresses a preference for foods with excessive sugar, fat or salt, this should not be accommodated because it would conflict with the nutritional guideline for services

See the ILOS Policy Guide, Section II. Service Definitions for more information on the nutritional guidelines for each service.

**9. Are ILOS only meant for Enrollees who are confined to their home (“homebound”)?**

No. An Enrollee is not required to be homebound in order to receive ILOS.

Each Service Definition in the ILOS Policy Guide has a set of Service Limitations. These limitations are intended to help identify which ILOS type is most appropriate for an Enrollee. For example,

- Medically Tailored Home Delivered Meal ILOS and Healthy Home Delivered Meal ILOS include a Service Limitation that “eligible Enrollees must not have current capacity to shop and cook for themselves or must not have adequate social support to meet these needs,”
- Healthy Food Pack includes a limitation that “if being delivered, the Enrollee does not have current capacity to shop for themselves or is unable to get to a food distribution site”

Enrollees with more complex needs—such as those who are unable to shop and cook for themselves—should receive an ILOS that is tailored to their present situation, such as receiving a meal that has already been prepared. While Enrollees with less complex needs may be best served by a Healthy Food Pack or Produce Prescriptions.

**10. How can Medicaid Health Plans and ILOS Providers support Enrollees who may be unable to store or prepare foods?**

Medicaid Health Plans should take into account an Enrollee’s ability to obtain, store and prepare foods when assessing which ILOS type an Enrollee should receive. Medicaid Health Plans should consider asking Enrollees about availability of a refrigerator or freezer and/or about other equipment to prepare foods, such as pots, pans, a microwave or can opener. Additionally, ILOS Providers should confirm this information, as it will inform what meals or food items are provided to the Enrollee.

Medicaid Health Plans may consider providing additional resources to ensure Enrollees are able to store or prepare foods. However, this cannot be provided through ILOS. For example, a Medicaid Health Plan could provide funding to the ILOS Provider to purchase supplies for Enrollees (e.g., a can opener, pots and pans, a miniature refrigerator) so long as that is not factored into the cost of the ILOS.

**11. How will Medicaid Health Plans ensure Enrollees are not receiving duplicative supports?**

Per federal guidance, Medicaid-covered health-related social needs services and supports—such as the nutrition-focused ILOS—must not supplant the work or funding of another federal or state non-Medicaid agency and must be integrated with existing social services. However, receipt of food benefits through other federal, state and/or locally-funded programs is not inherently duplicative with ILOS depending on the size of the other benefits received by the Enrollee and an Enrollee’s needs. For example, an Enrollee could be receiving food benefits through a different program and still be food insecure; therefore, they may still be eligible for ILOS.

To ensure Enrollees are not receiving duplicative supports or that ILOS are not supplanting other work or funding, Medicaid Health Plans should work with the Enrollee and their caregivers, members of the Enrollee’s care team (e.g., Primary Care Provider

or care manager, if applicable) and ILOS Providers, as applicable, to understand what additional supports an Enrollee is receiving and what other supports an Enrollee could receive to meet their needs.

Further, Medicaid Health Plans are required under the CHCP Contract to educate Enrollees about the availability of public benefit programs, including but not limited to the Women, Infants, & Children Nutrition Program (WIC), Supplemental Nutrition Assistance Program (SNAP)<sup>1</sup>, Temporary Assistance for Needy Families (TANF), and utility and weatherization programs. Additionally, Medicaid Health Plans must provide information about how to apply for the types of benefits listed above, including how to apply through MI Bridges, Michigan's electronic platform for applying for public benefits.

**12. Are members who receive SNAP or WIC benefits eligible to receive nutrition-focused ILOS? Are SNAP or WIC benefits duplicative of nutrition-focused ILOS?**

Enrollees who receive SNAP and WIC benefits are eligible for nutrition-focused ILOS. SNAP or WIC benefits are not necessarily duplicative of nutrition-focused ILOS. In fact, nutrition-focused ILOS can complement SNAP or WIC benefits by addressing the Enrollee's unmet health-related nutrition needs.

When assessing an Enrollee and determining whether to authorize an ILOS, Medicaid Health Plans should consider whether an Enrollee is currently receiving SNAP and/ or WIC.

If the Enrollee has not applied for SNAP and/ or WIC and is potentially eligible, the Medicaid Health Plan should assist the member with applying.

If the Enrollee has (1) applied for SNAP and/ or WIC and (a) is waiting for approval, (b) was not approved, or (c) was approved and (2) is still at risk for nutritional deficiency or nutritional imbalance due to food insecurity, the Medicaid Health Plan can proceed with authorizing ILOS that are medically appropriate for the individual Enrollee.

**13. If an Enrollee receives an ILOS, will it impact their SNAP or WIC benefits?**

Receipt of an ILOS will not impact an Enrollee's SNAP or WIC benefits.

Eligibility for SNAP and WIC, and the amount of food assistance an individual receives under SNAP, is determined in part based on income. For example, benefits provided to individuals in a form other than money, including benefits such as meals and produce, are not included when calculating an individual's income to determine SNAP eligibility. So long as ILOS—particularly a voucher provided via the Produce Prescription ILOS—are not delivered to Enrollees via cash, they will not impact an Enrollee's SNAP benefits.

**14. What are "food retailers" referred to in the Produce Prescription service definition?**

Food retailers are the sites at which an Enrollee can redeem their Produce Prescription voucher. For example, a food retailer could include a farmer's market or local grocery store. MDHHS is not restricting the types of organizations that could serve as a food retailer, and Medicaid Health Plans are responsible for ensuring that the food purchased at a food retailer using a Produce Prescription voucher complies with the guidelines described in the Produce Prescription Service Definition.

---

<sup>1</sup> In Michigan, SNAP is referred to as the Food Assistance Program (FAP).

The ILOS Provider of a Produce Prescription is the entity that issues the voucher, while the food retailer is the site at which the voucher is redeemed. Food retailers could be, but are not always, the ILOS Provider for the Produce Prescription.

**15. Can Medically Tailored Home Delivered Meals and Healthy Home Delivered Meals include meals that are refrigerated?**

Yes. Medically Tailored Home Delivered Meals and Healthy Home Delivered Meals can include meals that are refrigerated.

**16. What kind and how much food can be provided via the Healthy Food Pack?**

Food provided via the Healthy Food Pack should meet all nutrition guidelines described in the Service Definition, including that it should not contain ultra-processed foods or foods with excessive sugar or salt. It is up to the Medicaid Health Plan and ILOS Provider to determine what type or assortment of medically-tailored or nutritionally appropriate foods are provided to an Enrollee within the nutrition guidelines. Further, consistent with federal requirements, the amount of food provided via the Healthy Food Pack must be equivalent to less than three (3) meals per day.

**17. Can a Produce Prescription be provided as a produce box?**

No. The Produce Prescription is defined as a voucher that allows Enrollees to select allowable foods from participating food retailers.

MDHHS recognizes that there are longstanding produce prescription programs in Michigan that operate using a produce box model. MDHHS encourages these organizations, and others, to refer to the ILOS Service Definitions and identify which ILOS type most closely aligns with their existing model. For example, an existing produce prescription program that uses a produce box model may consider offering their service under the Healthy Food Pack ILOS.

## **ILOS Administration**

**18. What is an ILOS Provider?**

ILOS Providers are entities that the Medicaid Health Plan has an agreement with for the purposes of delivering ILOS. ILOS Providers must meet the requirements of the “Allowable ILOS Provider” for each service they are contracted to provide as described in the ILOS Policy Guide, Section II. Service Definitions.

ILOS Providers are likely to be either community-based organizations or vendors:

- *Community-based organizations (CBOs)*: “Public and private non-profit organizations that represent a community or significant segments of a community and provide educational, health, social support or other related services to individuals in the community. They include organizations providing, for example, nutrition, housing and non-medical transportation services; coordination of long-term services and supports; and/or support for those experiencing interpersonal violence. Trusted by the communities they serve, CBOs have deep relationships, knowledge of the local environment and critical expertise in the delivery of social care.” This definition is captured in the CHCP contract.
- *Vendors*: Private, non-profit or for-profit companies that provide nutrition-related goods or services that may not be operating in Michigan.

**19. Can Medicaid Health Plans provide the Produce Prescription voucher to Enrollees directly?**

Medicaid Health Plans are not permitted to issue the Produce Prescription voucher directly to Enrollees. Vouchers must be issued by CHAMPS-enrolled ILOS Providers. However, Medicaid Health Plans may distribute (e.g., mail) a Produce Prescription voucher issued by ILOS Providers to an Enrollee. The entity issuing the voucher is considered to be the ILOS Provider, and billing and claims should reflect this.

**20. Are for profit Michigan-based companies considered locally-based ILOS Providers?**

Some for profit, Michigan-headquartered companies are considered locally-based ILOS Providers based on specified criteria.

To be a locally-based ILOS Provider, an organization must meet at least one the following criteria:

- Be a CBO<sup>2</sup> with a physical presence in Michigan, defined as having one (1) or more office locations in Michigan—preferably in the Region(s) the ILOS is being provided—and participate in the Michigan food economy. Participating in the Michigan food economy includes growing, processing, preparing, retailing, distributing or managing waste from food produced within the state of Michigan.
- Be an independent community grocer<sup>3</sup>, headquartered in Michigan.
- Be a direct marketing farmer<sup>4</sup>, headquartered in Michigan.

**21. How many ILOS Providers must a Medicaid Health Plan contract with when developing its ILOS Provider Network?**

A Medicaid Health Plan can contract with as many ILOS Providers as needed to ensure that eligible Enrollees have access to and receive ILOS in a timely manner. While this could be accomplished by contracting with one ILOS Provider, Medicaid Health Plans are not limited to contracting with only one ILOS Provider to meet the needs of Enrollees in an entire Region.

At this time, MDHHS has not developed network adequacy standards for ILOS like it has for medical services. MDHHS will monitor Medicaid Health Plan ILOS Provider networks and Enrollee utilization over time to ensure access needs are met.

**22. The ILOS Policy Guide requires that 30% of ILOS be delivered by “locally-based” ILOS Providers. Does this calculation differ by ILOS?**

MDHHS will calculate the percentage of ILOS delivered by locally-based ILOS Providers for each ILOS type across all Region(s) in which a Medicaid Health Plan offers the ILOS type.

MDHHS will use the same calculation methodology for three of the four ILOS—Medically Tailored Home Delivered Meals, Healthy Home Delivered Meals and Healthy Food Packs—but will use a different calculation methodology for the Produce

---

<sup>2</sup> Please refer to the definition of a CBO in the Comprehensive Health Care Program (CHCP) Contract. MDHHS expects that the majority of ILOS Providers will be non-clinical CBOs.

<sup>3</sup> Please refer to the definition of an independent community grocer as defined by the [National Grocers Association](#).

<sup>4</sup> Please refer to the definition of a direct marketing farmer as defined by the [Supplemental Nutrition Assistance Program \(SNAP\)](#).

Prescription ILOS. See the ILOS Policy Guide, Section IV. MHP ILOS Administration for more information.

**23. What if there are not enough locally-based ILOS Providers to meet the requirement that 30% of ILOS be delivered by “locally-based” ILOS Providers?**

Medicaid Health Plans can request an exception to this requirement if there are not enough locally-based ILOS Providers with capacity for the Medicaid Health Plan to meet the requirement that 30% of ILOS be delivered by locally-based ILOS Providers. An exception should only be requested in the event that locally-based ILOS Provider capacity is constrained such that they are unable to deliver the required volume to meet the Medicaid Health Plan’s Enrollee needs.

If a Medicaid Health Plan needs to request an exception, it must be submitted with the ILOS Implementation Plan and include an explanation for why an exception is needed. The Medicaid Health Plan must also indicate the ILOS type for which the exception is being requested, and an overview of the capacity the locally-based ILOS Providers with which the Medicaid Health Plan has contracted.

Approved exceptions requests will be valid for one contract year. Medicaid Health Plans will have to submit an updated exceptions request if needed for future contract years.

**24. What is an ILOS Implementation Plan?**

The ILOS Implementation Plan is a forward-looking document that describes what, when and how a Medicaid Health Plan will provide ILOS. Medicaid Health Plans must document what ILOS they intend to offer by Region(s) and provide information about their ILOS Provider network and the policies and procedures that the Medicaid Health Plan will follow. Medicaid Health Plans can, and should, tailor their ILOS Implementation Plans to the unique needs of the communities they are serving (e.g., policies could describe how meals will be tailored to meet specific cultural preferences within the nutritional guidelines described in the ILOS Policy Guide).

**25. Do contracts with ILOS Providers need to be executed when a Medicaid Health Plan submits its Implementation Plan?**

No. Contracts with ILOS Providers do not need to be executed at the time that a Medicaid Health Plan submits its ILOS Implementation Plan. The ILOS Implementation Plan does, however, ask Medicaid Health Plans to indicate the status of their contracting arrangements with their ILOS Provider Network.

**26. If a Medicaid Health Plan enters into a contracting agreement with a Michigan-based entity (“Intermediary”) to administer ILOS, what role will that the Intermediary play in ILOS delivery and data sharing?**

Per the ILOS Policy Guide, Medicaid Health Plans are permitted to enter into contracting agreements with one or more Intermediaries to administer ILOS, which may include developing and maintaining a network of ILOS Providers, managing authorized ILOS referrals or overseeing administrative activities on behalf of a Medicaid Health Plan (e.g., operationalizing ILOS data sharing requirements to support ILOS delivery, billing and payment).

It is up to the Medicaid Health Plan to determine what role an Intermediary will play in ILOS delivery and data sharing. If Medicaid Health Plans choose to delegate ILOS

administration to an Intermediary, they maintain responsibility for ensuring adherence to all ILOS requirements.

## Enrollee Engagement

### **27. Where can Enrollees find information about ILOS offered by their Medicaid Health Plan?**

Medicaid Health Plans must make up-to-date ILOS information publicly available on their websites. Enrollees interested in finding out whether their Medicaid Health Plan offers ILOS and if they qualify to receive ILOS should:

- Look for updates or a notification from their Medicaid Health Plan,
- Review their Enrollee handbook or Medicaid Health Plan website to see whether their Medicaid Health Plan is offering ILOS in their area, and
- Contact their Medicaid Health Plan Member Services Department to request additional information and see whether they may qualify.

Enrollees may be able to access ILOS once Medicaid Health Plans begin offering them. It is important to remember that Enrollee access to ILOS will depend on the Medicaid Health Plan they are enrolled in, where they live and whether they meet the eligibility criteria for the ILOS.

### **28. How is an Enrollee identified for ILOS, and who can request an Enrollee be assessed to determine if they qualify for ILOS?**

Medicaid Health Plans are responsible for developing policies and procedures for identifying Enrollees for whom ILOS may be a medically appropriate substitute for state plan services or settings. MDHHS encourages Medicaid Health Plans to use a variety of sources to identify Enrollees who may be eligible for ILOS, such as using claims data, pharmacy data, and laboratory results; results from clinical or social need screenings conducted when an Enrollee enrolls with the Medicaid Health Plan; and requests from external sources. Requests from external sources include requests directly from Enrollees and their caregivers and/or families, Network Providers, ILOS Providers, CBOs, Community Health Workers, and others.

Each Medicaid Health Plan may have a different policy and procedure for identifying Enrollees for ILOS. However, the Medicaid Health Plan is required to inform Enrollees and their Network Providers about available ILOS and the process to access ILOS. Medicaid Health Plans must also train their Member Services or Customer Services Department and Call Centers about ILOS.

### **29. Who is responsible for authorizing an ILOS?**

Medicaid Health Plans are responsible for determining an Enrollee's eligibility for ILOS and subsequently authorizing the service. Medicaid Health Plans must determine and document that each ILOS is medically appropriate for the specific Enrollee when authorizing services. Medicaid Health Plans must authorize ILOS for Enrollees who are deemed eligible.

### **30. Do federal requirements permit the use of historical claims or diagnoses when assessing the Enrollee's eligibility for ILOS?**

Record of past medical treatment or diagnoses may be used as a part of the Medicaid Health Plan's process for determining if an Enrollee is eligible and should be authorized for an ILOS.

**31. When is it medically appropriate for a Medicaid Health Plan to authorize an ILOS for an Enrollee?**

An ILOS is medically appropriate for an individual Enrollee when that Enrollee meets the eligibility criteria (i.e., meets the social risk factor, at least one of the clinical risk factors and the service limitations) and a licensed clinical staff member at the Medicaid Health Plan or a Network Provider determines, based on their professional judgement, that ILOS is likely to reduce or prevent the need for State Plan covered services. Medical appropriateness must be determined and documented each time the ILOS is authorized for the Enrollee.

**32. What types of providers can determine medical appropriateness?**

Per 42 CFR § 438.16, the determination and documentation of medical appropriateness for the specific Enrollee should be conducted by “a licensed network or MCO, PIHP, or PAHP staff provider.” While the Medicaid Health Plan is responsible for defining the licensed provider responsible for determining medical appropriateness, a licensed provider could include but is not limited to the following:

- Physician
- Physician Assistant
- Advanced Practice Registered Nurse
- Registered Nurse
- Licensed Master Social Worker
- Dentist
- Psychiatrist or Psychologist

**33. Can medical appropriateness be determined by the ILOS Provider?**

Per 42 CFR § 438.16(d)(1)(iv), the determination and documentation of medical appropriateness for the specific Enrollee should be conducted by “a licensed network or MCO, PIHP, or PAHP staff provider.”

Per the DEFINITIONS section of the CHCP contract, a Provider (or Network Provider) is defined as “an appropriately credentialed and licensed individual, facility, agency, institution, organization, or other entity that has an agreement with the Contractor, or any subcontractor, for the delivery of Covered Services to Enrollees.” ILOS are optional and are not Covered Services. Therefore, ILOS Providers that only provide ILOS are not Network Providers and cannot determine medical appropriateness.

If an ILOS Provider is *also* a Network Provider (e.g., an FQHC that enrolls as a ILOS Provider), they may be able to determine medical appropriateness, pending the Medicaid Health Plan’s policies and procedures.

**34. Can Enrollees be notified of ILOS authorization through email, text messages or telephone?**

The Medicaid Health Plan’s policies and procedures must address how it will notify Enrollees of authorization determinations. Enrollees may be notified of ILOS authorization through a variety of methods, including but not limited to, email, text, or telephone.

Per the CHCP contract, Adverse Benefit Determinations must be made in writing, except for when an eligible Enrollee chooses not to participate.

**35. What is deauthorization in the context of ILOS, and when is it appropriate for a Medicaid Health Plan to deauthorize an ILOS for an Enrollee?**

Medicaid Health Plans must authorize an ILOS for an Enrollee to receive it. One instance where the Medicaid Health Plan may not authorize an ILOS is if it determines that the Enrollee is not eligible (e.g., the Enrollee does not meet the social risk factor). Another instance where the Medicaid Health Plans may not authorize an ILOS is if it would not be medically appropriate to provide the Enrollee an ILOS in the professional judgement of a licensed network or a Medicaid Health Plan staff provider. The Medicaid Health Plan must always notify the Enrollee of the authorization determination (i.e., if the service is authorized or not authorized).

If the Medicaid Health Plan determines that the Enrollee no longer qualifies for, no longer requires and/or no longer wants to receive an ILOS they have been authorized for, the Medicaid Health Plan can terminate the ILOS. This is referred to as 'deauthorization' in the ILOS Policy Guide. A deauthorization of an ILOS may happen prior to the authorization end date or after the initial authorization period concludes. In the case of any deauthorization, the Medicaid Health Plan must notify the Enrollee and the ILOS Provider that ILOS will be deauthorized. The Medicaid Health Plan must also pay for all services rendered prior to the issuing of that written notice to the ILOS Provider.

A Medicaid Health Plan may deauthorize ILOS for Enrollees in circumstances when:

- An Enrollee is no longer eligible for ILOS, for example, if they no longer meet the clinical risk factor and social risk factor
- A licensed clinical staff member at the Medicaid Health Plan or a Network Provider determines, based on their professional judgement, it is no longer medically appropriate for the Enrollee to receive the ILOS
- An Enrollee no longer wishes to receive an ILOS

**36. If an Enrollee loses Medicaid eligibility before the end of the ILOS authorization period, are Medicaid Health Plans required to send the Enrollee a deauthorization notice for ILOS?**

If an Enrollee loses Medicaid eligibility before the end of the ILOS authorization period, Medicaid Health Plans are not required to send a deauthorization notice for ILOS.

**37. Can Medicaid Health Plans refer Enrollees to ILOS Providers telephonically?**

If mutually agreed upon between the Medicaid Health Plan and ILOS Provider, Medicaid Health Plans may refer Enrollees to ILOS Providers telephonically. However, the Medicaid Health Plan must also provide all required data elements for the referred Enrollees (outlined in Section VII of the ILOS Policy Guide) to the ILOS Provider via their mutually agreed upon file format and transmission method.

**38. What happens to an Enrollee receiving an ILOS who enrolls with a new Medicaid Health Plan?**

Whether an Enrollee is able to continue receiving an ILOS when enrolling with a new Medicaid Health Plan depends on whether the new Medicaid Health Plan offers the ILOS the Enrollee is currently receiving.

*Scenario 1:* If an Enrollee transitions to a new Medicaid Health Plan and the new Medicaid Health Plan offers the same ILOS that the Enrollee received under their previous Medicaid Health Plan, then the Enrollee must continue receiving the same

ILOS. For example, an Enrollee is receiving a Produce Prescription from their current Medicaid Health Plan and transitions to a new Medicaid Health Plan that also offers Produce Prescriptions. The new Medicaid Health Plan must authorize a Produce Prescription for that Enrollee for at least the duration authorized by the previous Medicaid Health Plan or 90 days, whichever is longer. The new Medicaid Health Plan must have a process to determine the Enrollee's eligibility for ILOS and subsequent reauthorization of an ILOS authorized by a previous Medicaid Health Plan based on medical appropriateness of each ILOS for the Enrollee.

*Scenario 2:* If an Enrollee transitions to a new Medicaid Health Plan and the new Medicaid Health Plan does not offer the same ILOS as the previous Medicaid Health Plan, then the Enrollee can no longer receive that ILOS. For example, an Enrollee is receiving a Healthy Food Pack from their current Medicaid Health Plan and transitions to a new Medicaid Health Plan that does not offer Healthy Food Packs. Because the new Medicaid Health Plan does not offer Healthy Food Packs, the Enrollee will no longer receive that ILOS. If an Enrollee has questions about the ILOS offerings of a potential Medicaid Health Plan it is considering, it should refer to the new Medicaid Health Plan's website or call the [Member Services Line](#) when considering switching Medicaid Health Plans.

## ILOS Provider Policy

### **39. What are examples of organizations that might become ILOS Providers?**

ILOS Providers could include, but are not limited to:

- Food pantries
- Farmers markets
- Health care providers, such as Federally Qualified Health Centers (FQHCs) or health systems
- Local health departments and other city, state, and local government agencies
- Meal service providers
- Non-profit organizations focused on services such as health, food access, education, or other publicly beneficial actions
- Social-service agencies or community-based organizations serving seniors, families, or underserved populations
- Tribal Governments

### **40. Are ILOS Providers expected to enroll in the Community Health Automated Medicaid Processing System (CHAMPS)?**

Yes. All ILOS Providers who will render ILOS or bill a Medicaid Health Plan, including existing Medicaid Health Plan Network Providers who will operate as ILOS Providers, are required to enroll as a Michigan Medicaid Provider using CHAMPS. ILOS Providers are required to newly enroll under the "Atypical-Agency" enrollment type, "ILOS-Managed Care only" provider specialty and "Nutrition-Focused Services" provider subspecialty created by MDHHS. Medicaid Health Plans must ensure that ILOS Providers contracted to render or bill for ILOS are enrolled through CHAMPS.

### **41. What support is available to help ILOS Providers enroll in CHAMPS?**

MDHHS has developed enrollment instructions, a checklist, and a brief recording to guide ILOS Providers through the CHAMPS enrollment process.<sup>5</sup> The checklist can be utilized if an organization has opted to allow an already enrolled entity to complete the CHAMPS enrollment application on their behalf. Potential ILOS Providers who need support enrolling can also call 1-800-292-2550 during standard business hours and select option 4.

**42. Do ILOS Providers need to have a National Provider Identifier (NPI)?**

No. ILOS providers are required to enroll in CHAMPS as atypical providers. Atypical providers are not required to have an NPI but will receive a unique provider identification number through enrolling in CHAMPS.

**43. If a potential ILOS Provider has multiple locations, does each location need to enroll in CHAMPS separately as an atypical provider?**

No. If a potential ILOS Provider has multiple locations, each location is not required to enroll separately in CHAMPS. A potential ILOS Provider should enroll once as a single entity and include all locations in the enrollment application. This ensures that all locations are recognized under the ILOS Provider's CHAMPS provider ID.

**44. For each ILOS, the service definition in the ILOS Policy Guide describes the Allowable ILOS Providers. What additional information should Medicaid Health Plans include about minimum qualifications of ILOS Providers?**

A Medicaid Health Plan's policies and procedures should:

- Demonstrate that the minimum qualifications of any ILOS Provider contracted by the Medicaid Health Plan is expected to meet the allowable provider criteria for each service
- Enumerate any additional qualifications the Medicaid Health Plan expects of ILOS Providers.

**45. Who will ensure that ILOS Providers adhere to all requirements outlined in the ILOS Policy Guide?**

Medicaid Health Plans are responsible for maintaining oversight over ILOS Providers, as they would for a Network Provider. They should conduct regular monitoring of ILOS Providers to ensure the ILOS Provider is complying with ILOS requirements; for example, a Medicaid Health Plan should have a process to ensure that ILOS Providers are delivering ILOS in line with the service descriptions, adhering to Medicaid Health Plan ILOS policies and procedures, managing Enrollee data appropriately and accurately billing for services.

## **ILOS Data Systems & Data Sharing**

**46. What data are Medicaid Health Plans and ILOS Providers required to share?**

Medicaid Health Plans and ILOS Providers are required to exchange data necessary to support ILOS administration.

Medicaid Health Plans must share an Enrollee Information File (EIF) with ILOS Providers, except for Produce Prescription ILOS Providers. The EIF provides

---

<sup>5</sup> The CHAMPS Provider enrollment instructions, checklist, and the recording are available at: <https://www.michigan.gov/mdhhs/mihealthylife/michigan-in-lieu-of-services>.

demographic and ILOS referral information (e.g., what ILOS an Enrollee has been authorized to receive). Table 4 in the ILOS Policy Guide, Section VII. Data Systems & Data Sharing outlines specific data elements that must be included in the EIF; Medicaid Health Plans and ILOS Providers can mutually agree to share additional data elements beyond those included in Table 4.

ILOS Providers, except for Produce Prescription ILOS Providers, must share a Return Transmission File (RTF) with Medicaid Health plans, which provides updates about ILOS delivery and Enrollee information. Table 5 in the ILOS Policy Guide, Section VII. Data Systems & Data Sharing outlines specific data elements that must be included in the RTF; Medicaid Health Plans and ILOS Providers can mutually agree to share additional data elements beyond those included in Table 5.

The exchange of the EIF and RTF is intended to facilitate effective ILOS service delivery. However, Medicaid Health Plans and Produce Prescription ILOS Providers may not need to share this level of data to effectively deliver the Produce Prescription ILOS due to the distinct structure of the Produce Prescription ILOS (i.e., the provision of a voucher rather than the direct provision of food). Medicaid Health Plans and ILOS Providers of Produce Prescriptions are encouraged to exchange the EIF or RTF as needed to facilitate the delivery of Produce Prescriptions ILOS but are not required to. Whether or not Medicaid Health Plans and Produce Prescription ILOS Providers exchange data or not, Medicaid Health Plans are still responsible for ensuring the necessary data is reported to MDHHS and are required to monitor utilization of Produce Prescription ILOS.

Medicaid Health Plans and ILOS Providers mutually agree upon the format to share data, which could include a web-based form or portal or Excel workbook.

As a reminder, Medicaid Health Plans and ILOS Providers must have the appropriate legal basis for disclosure and exchange of the data elements, whether they are required by MDHHS or mutually agreed upon by the Medicaid Health Plan and ILOS Provider.

**47. What templates has MDHHS developed to support ILOS data sharing, and are Medicaid Health Plans and ILOS Providers required to use the MDHHS-developed templates?**

MDHHS has developed two templates<sup>6</sup> to support ILOS data sharing:

- *EIF Template:* An Excel template that can support data sharing for ILOS delivery from Medicaid Health Plans to ILOS Providers.
- *RTF Template:* An Excel template that can support data sharing for ILOS delivery from ILOS Providers to Medicaid Health Plans.

Medicaid Health Plans and ILOS Providers, except Produce Prescription ILOS Providers, are required to use the MDHHS-developed templates only if they choose to use Excel as their agreed upon modality for sharing these files.

**48. Are Medicaid Health Plans and ILOS Providers required to collect Enrollee consent to share data necessary to deliver ILOS, and if so, can consent be collected verbally?**

---

<sup>6</sup> The MDHHS-developed templates are available at:  
<https://www.michigan.gov/mdhhs/mihealthylife/michigan-in-lieu-of-services>.

Medicaid Health Plans and ILOS Providers must have the appropriate legal basis for disclosure and exchange of the data elements. The Medicaid Health Plan and ILOS Provider may be required to collect written Enrollee consent to share data depending on the legal basis on which the Medicaid Health Plan and the ILOS Provider are exchanging data.

## **ILOS Billing & Payment**

### **49. Can Medicaid Health Plans provide bonus payments to ILOS Providers?**

Yes. All payment arrangements, which may include bonus payments, are determined between the Medicaid Health Plan and the ILOS Provider. However, all payment arrangements and billing practices between Medicaid Health Plans and ILOS Providers must adhere to the guidance in the ILOS Policy Guide, Section VIII. Payments & Billing.

### **50. Are there required or recommended prices for the ILOS?**

With an Actuary, MDHHS developed Optional ILOS Pricing Guidance for each of the four (4) ILOS.<sup>7</sup> Use of the pricing guidance is not required; service pricing is at the discretion of the Medicaid Health Plan and ILOS Provider.

### **51. Can the cost of an ILOS include nutrition education materials?**

Yes. If the ILOS Provider includes nutrition education materials alongside the ILOS, the Medicaid Health Plan and ILOS Provider can factor the cost of the educational materials into the cost of the service pricing. Nutrition education materials should be appropriate for the individual Enrollee and relate to topics including but not limited to healthy eating and healthy meal preparation.

### **52. Is the nutritional assessment included in the Medically Tailored Home Delivered Meal encounter, and how will the assessment work since Registered Dietitian Nutritionists (RDNs) are not a covered Medicaid benefit?**

Yes. The Medically Tailored Home Delivered Meal encounter includes the nutritional assessment. Please refer to the ILOS Policy Guide, Section VIII. Payments & Billing, Table 5. ILOS Service Units, which indicates that the service unit and HCPCS code and modifier includes the nutritional assessment, meal preparation and delivery as part of the service unit.

Given the nutritional assessment is intended to be factored into the service billed by the ILOS Provider (i.e., at the agency level) for the Medically Tailored Home Delivered Meal, the RDN conducting the assessment as part of the Medically Tailored Home Delivered Meal is not required to enroll as a Provider in CHAMPS system.

### **53. If an ILOS Provider does not have an NPI, will an Encounter be accepted?**

If ILOS Providers do not have an NPI, an Encounter will be accepted if the CHAMPS Provider ID is included. However, if ILOS Providers have an NPI, it is required to be included on any claims or invoices submitted to Medicaid Health Plans per the ILOS Policy Guide, Section VIII. Payments & Billing, Table 3.

### **54. How are food retailers paid as part of the Produce Prescription ILOS?**

---

2. The Optional ILOS Pricing Guidance is available at:  
<https://www.michigan.gov/mdhhs/mihealthylife/michigan-in-lieu-of-services>

The Produce Prescription ILOS is a voucher issued by an ILOS Provider to purchase produce from a food retailer. Medicaid Health Plans are responsible for paying the CHAMPS-enrolled ILOS Provider for vouchers provided, and the ILOS Provider establish mechanisms to pay food retailers for produce purchased at their establishment via the voucher. ILOS Providers and food retailers can be, but are not always, the same entity.

**55. What is the Batch Invoice template, and are Medicaid Health Plans and ILOS Providers required to use it?**

The Batch Invoice template is an Excel template that includes all required data elements described in Table 6 in the ILOS Policy Guide, Section VIII. Payments & Billing.

If the Medicaid Health Plan and ILOS Provider decide to use Excel as the file format to share the data elements described in Table 6, they are required to use the Batch Invoice template developed by MDHHS.

**ILOS Monitoring & Reporting**

**56. What are the reporting requirements for ILOS?**

Medicaid Health Plans are required to report on ILOS through encounter data submission to MDHHS using the HCPCS code and modifier combination described in the ILOS Policy Guide, Section VIII. Billing & Payments. Encounter data for ILOS must be submitted in accordance with requirements described in Sections 1.1.XV.C and 3.2.II.D-F of the Contract.

Medicaid Health Plans are required to submit a ILOS Quarterly Implementation Monitoring Report to MDHHS using the MDHHS-developed template within 60 days of the close of the reporting period. Please refer to the ILOS Policy Guide, Section IX. MHP Monitoring & Reporting for more information on the reporting periods and report due dates for each quarterly report.

Medicaid Health Plans are required to report Grievances and Appeals related to ILOS to MDHHS consistent with the timeframe listed in the Contract.

Additionally, annually, Medicaid Health Plans must submit aggregate information to MDHHS on actual ILOS costs.

**57. How will Medicaid Health Plans be expected to report on their ILOS Provider networks?**

Medicaid Health Plans are required to report information about their ILOS Provider networks by region to MDHHS in the ILOS Implementation Plan. They must also report information about ILOS Provider capacity in the ILOS Quarterly Implementation Monitoring Report. Additionally, Medicaid Health Plans are required to include ILOS Providers in the Network Adequacy Provider file reported to MDHHS monthly.

**58. How will MDHHS monitor and oversee ILOS?**

MDHHS will monitor and provide oversight of ILOS implementation to ensure compliance with federal requirements and that the state's goals for ILOS are advancing. Key among MDHHS' oversight goals are:

- Ensuring Enrollee rights and protections are safeguarded;

- Confirming medical appropriateness is documented;
- Validating that statutory requirements are observed, including that Enrollees receive the equivalent of less than 3 meals per day;
- Confirming encounter data submissions are complete and timely;
- Validating ILOS are accessible; and
- Ensuring ILOS remain medically appropriate and cost-effective.

To achieve these oversight goals, MDHHS will regularly review Medicaid Health Plans' ILOS Implementation Plans; ILOS-related Appeals, Grievances, State Fair Hearings and External Review of Appeals data; ILOS-related encounter data; Medicaid Health Plans' ILOS Quarterly Implementation Monitoring Reports and Medicaid Health Plans' Network Adequacy Provider files. MDHHS will also analyze cost and utilization data and assess trends in quality measure performance over time.