

# **Michigan's Comprehensive Health Care Program: In Lieu of Services Policy Guide**

**Michigan Department of Health and Human Services (MDHHS)**

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# I. Introduction to In Lieu of Services

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This In Lieu of Services (ILOS) Policy Guide (Policy Guide) is a resource for Medicaid Health Plans (MHPs) participating in the Comprehensive Health Care Program (CHCP) in the implementation of ILOS. The Policy Guide provides a comprehensive overview of ILOS as well as additional operational requirements and guidance to support MHPs in delivering ILOS.

As a part of MDHHS' continuous commitment to deliver Michigan residents equitable, coordinated and person-centered care, MDHHS introduced ILOS which will allow MHPs to pay for services that address eligible Enrollees' health-related social needs (HRSNs). MDHHS' goals for ILOS include:

- Promoting access to services that meet Enrollee HRSNs as a means of improving health outcomes, managing health care utilization and decreasing health care costs over time
- Ensuring MHPs, ILOS Providers and other partners (e.g., Providers) work together to deliver medically appropriate ILOS in an efficient, coordinated and Enrollee-centered manner
- Supporting local organizations that participate in the Michigan food economy to become ILOS Providers in order to expand availability of ILOS across the state and retain service provision in the community
- Monitoring ILOS to ensure they remain cost effective substitutes for covered services in the intermediate and long term
- Fostering shared learning among MHPs, ILOS Providers and other partners and continuously improve how ILOS are implemented across the state

## Overview of ILOS

ILOS are medically appropriate and cost-effective services provided by MHPs to Enrollees as substitutes for covered services and settings required by the [Michigan Medicaid State Plan](#) pursuant to 42 CFR section 438.3(e)(2).

MDHHS designated the set of ILOS as medically appropriate and cost-effective substitutes for covered services or settings under the Michigan Medicaid State Plan.

MHPs may provide one (1) or more of the ILOS listed in the CHCP contract (the Contract) and defined in *Section II. Service Definitions* of this ILOS Policy Guide. Per 42 CFR 438.3 (e)(2), ILOS must be offered at the option of the MHP and the Enrollee. MHPs are prohibited from: requiring Enrollees to use ILOS; denying an ILOS if an Enrollee is eligible; or restricting Enrollees' access to a covered service if the Enrollee does not want to use ILOS, has received ILOS previously or is receiving ILOS currently.

Further, per federal requirements Enrollees must receive the equivalent of less than three (3) meals per day.<sup>1</sup>

MHPs that elect to offer ILOS are responsible for administering them and must adhere to the requirements in the Contract and outlined in this ILOS Policy Guide.

MDHHS conducts statewide aggregate analyses of the cost-effectiveness of the ILOS. As such, MHPs do not need to actively assess cost-effectiveness for ILOS for the purposes of rate setting or compliance with federal requirements. Nothing shall prohibit MHPs from using utilization management techniques as applicable and as permitted by federal managed care regulations. MDHHS reserves the right to request additional reports on an ongoing or ad hoc basis.

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<sup>1</sup> Per federal requirements, coverage of food interventions provided through ILOS must be less than three (3) meals per day. Per CMS' [Coverage of Health-Related Social Needs \(HRSN\) Services in Medicaid and the Children's Health Insurance Program \(CHIP\)](#) (December 2024), "An ILOS must also not violate any applicable federal requirements, including general prohibitions on payment for room and board under title XIX of the Social Security Act."

## II. Service Definitions

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MDHHS introduced four (4) nutrition-focused ILOS during the 2025 CHCP contract year, which are described in detail below. Evidence indicates that nutrition-focused services are associated with improved health outcomes and decreased utilization of health care services. Additional detail on the cost-effectiveness and medical appropriateness of these services is available in the ILOS Evidence Review Summary.<sup>2</sup>

Further, supporting individuals made vulnerable to food insecurity is a key priority in Michigan. Addressing food insecurity was an identified focus area in the [MDHHS Social Determinants of Health \(SDOH\) Strategy](#) and goal in the [MDHHS Strategic Priorities FY 2023-2027](#).

Enrollees can only receive one (1) ILOS type at a given time. MHPs and ILOS Providers must provide ILOS in accordance with the following service definitions; modifications to or restrictions from the definitions below are not permitted.

### Medically Tailored Home Delivered Meal

#### *Service Description*

A fresh or frozen home delivered meal that is ready to eat and medically tailored for a specific disease or condition. This service includes an initial evaluation with a certified nutrition professional (e.g., Registered Dietitian (RD) or a Registered Dietitian Nutritionist (RDN)) to assess and develop a medically appropriate nutrition care plan, the preparation and delivery of the prescribed nutrition care regimen and regular reassessment with a certified nutrition professional at least once every six (6) months.

Meals must be in accordance with the Food is Medicine medically-tailored meal nutritional guidelines and address medical diagnoses, symptoms, allergies, medication management and/or side effects to ensure the best possible nutrition-related health outcomes.<sup>3</sup>

The meal may include an accompanying fluid/drink and/or a supplementary food item to support meeting an Enrollee's nutrition needs if medically appropriate (e.g., to provide access to fluids and/or support taking medication accompanied by food).

Meal options must meet Enrollee preferences in relation to specific food items, portion size, dietary needs, allergy restrictions and cultural and/or religious preferences.

#### *Frequency*

Enrollees can receive up to two (2) meals per day (or 14 meals per week) for up to six (6) months, or longer if determined to be medically necessary.

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<sup>2</sup> The ILOS Evidence Review Summary will be made available at: <https://www.michigan.gov/mdhhs/mihealthylife/michigan-in-lieu-of-services>.

<sup>3</sup> More about the Food is Medicine program and nutrition guidelines can be found [here](#).

### *Setting*

Initial and subsequent nutrition assessments are conducted in person, in a clinic environment, the Enrollee's home, or via telehealth as appropriate.<sup>4</sup> Meals are delivered to the Enrollee's home.

### *Eligible Enrollees*

Enrollees will be eligible for services if they meet at least one (1) of the clinical risk factors, the one (1) social risk factor and the service limitations.

The need for services must be documented, for example, in the Enrollee's care plan or medical record. The provided service must be medically appropriate for the documented need.

### *Clinical Risk Factors:*

1. Enrollee has a nutrition-sensitive conditions, including diabetes, cardiovascular disorders, congestive heart failure, stroke, chronic lung disorders, hypertension, human immunodeficiency virus (HIV), cancer, obesity, oral health disease, sickle cell disease, renal disease, gestational diabetes, other high-risk perinatal conditions or chronic or disabling mental/behavioral health disorders.
2. Enrollee has been discharged from the hospital or a skilled nursing facility within the last 90 days.

### *Social Risk Factor:*

1. Enrollee is at risk for nutritional deficiency or nutritional imbalance due to food insecurity, defined as being unable to obtain nutritionally adequate, medically appropriate and/or safe foods.<sup>5</sup>

### *Service Limitations:*

1. Enrollee must not have current capacity to shop and cook for themselves or must not have adequate social support to meet these needs.
2. If potentially eligible for the Supplemental Nutrition Assistance Program (SNAP) and/or the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the Enrollee must either:
  - a. Be enrolled in SNAP and/or WIC, or
  - b. Be in the process of submitting a SNAP and/or WIC application, or
  - c. Have been determined ineligible for SNAP and/or WIC within the past 12 months.

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<sup>4</sup> If a nutrition assessment is provided via telehealth, it should be consistent with [MMP 23-10](#).

<sup>5</sup> Social Risk Factor screening should be conducted pursuant to MDHHS guidance.

3. Enrollee cannot be currently receiving duplicative support through other federal, state, or locally-funded programs.
4. This service cannot be covered if the Enrollee would be eligible for a Medicaid covered service that is substantively the same.

#### *Allowable ILOS Providers*

Medically Tailored Home Delivered Meal Providers must have experience and expertise with providing these, or similar, services. MDHHS has a strong preference for ILOS Providers to be locally-based.<sup>6</sup>

ILOS Providers must have protocols in place to ensure food quality and freshness at the time it is provided to an Enrollee and for evaluating and providing food that the Enrollee can process (e.g., open) and safely store. ILOS Providers must be able to make accommodations for individuals with disabilities, individuals with limited English proficiency and individuals with low health literacy.

ILOS Providers must also meet the following qualifications, at a minimum:

- Have the capacity to provide the volume of meals agreed upon with the MHP
- Operate according to the Michigan Food Code
- Deliver food at safe temperatures
- Document meals served
- Document that the Food is Medicine nutritional practice guideline is used
- Have available written plans for continuing services in emergency situations, such as short-term natural disasters (e.g., snow or ice storms), loss of power, physical plant malfunctions, etc. The provider shall train staff and volunteers on procedures to follow in the event of severe weather or natural disasters and the county emergency plan
- Have written protocols for communicating with Enrollees and resolving any issues (e.g., delays, emergency situations) that impact service delivery

#### **Healthy Home Delivered Meal**

##### *Service Description*

A nutritionally-balanced, home delivered meal consisting of a hot, cold, frozen or shelf-stable meal aimed at promoting improved nutrition for the service recipient.

Each meal must provide at least one-third of the recommended Dietary Reference Intakes established by the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences, except where inappropriate given an Enrollee's

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<sup>6</sup> Please refer to Section IV. MHP ILOS Administration for additional information on locally-based ILOS Providers.

nutrition-sensitive condition (e.g., allowing for a meal that does not supply one-third of the daily recommended sodium for an individual with hypertension who is on a low-sodium diet). Meals must also be provided in accordance with nutrition-related national guidelines, such as the Dietary Guidelines for Americans<sup>7</sup>, or evidence-based practice guidelines for specific chronic diseases and conditions.

The meal may include an accompanying fluid/drink and/or a supplementary food item to support meeting an Enrollee's nutrition needs if medically appropriate (e.g., to provide access to fluids and/or support taking medication accompanied by food).

Meal options must meet Enrollee preferences in relation to specific food items, portion size, dietary needs, allergy restrictions and cultural and/or religious preferences.

### *Frequency*

Enrollees can receive up to two (2) meals per day (or 14 meals per week) for up to six (6) months, or longer if determined to be medically necessary.

### *Setting*

Meals are delivered to the Enrollee's home.

### *Eligible Enrollees*

Enrollees will be eligible for services if they meet at least one (1) of the clinical risk factors, the one (1) social risk factor and the service limitations.

The need for services must be documented, for example, in the Enrollee's care plan or medical record. The provided service must be medically appropriate for the documented need.

### *Clinical Risk Factors:*

1. Enrollee has a nutrition-sensitive conditions, including diabetes, cardiovascular disorders, congestive heart failure, stroke, chronic lung disorders, hypertension, HIV, cancer, obesity, oral health disease, malnutrition, sickle cell disease, renal disease or mental/behavioral health disorders.
2. Enrollee has been discharged from the hospital or a skilled nursing facility within the last 90 days.
3. Enrollee has been identified by the MHP to be at risk of avoidable emergency department visit, hospital admission or institutionalization.
4. Enrollee is and currently has, has a history of, or is at risk for at least one (1) of the following: High-risk pregnancy, history of previous pregnancy, delivery, or birth complication including gestational diabetes, preeclampsia, preterm labor, preterm birth, placental abruption, newborn low birth weight, stillbirth, hyperemesis gravidarum and other causes of dehydration, maternal low birth

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<sup>7</sup> See the [2020-2025 Dietary Guidelines for Americans](#).



weight of less than 2500 grams, multiple pregnancy, malnutrition, an acute or chronic respiratory condition, infection, mental health condition, heat stroke or heat exhaustion, hypothermia, frostbite, or chilblains, abuse or interpersonal violence.

5. Enrollee is a former foster care youth in Foster Care Transitional Medicaid and at greater risk for an adverse clinical outcome.
6. Enrollee is a child with elevated blood lead levels<sup>8</sup>, experiencing adverse childhood experiences (ACEs) or at risk of developing chronic or acute conditions due to food insecurity (e.g., failure to thrive, childhood obesity, asthma, depression).
7. Enrollee is a child eligible for the Children's Special Health Care Services (CSHCS) program.
8. Enrollee is eligible for the Persons with Special Health Care Needs (PSHCN) program.
9. Enrollee is eligible for Medicaid based on an eligibility designation of disability.

#### Social Risk Factor:

1. Enrollee is at risk for nutritional deficiency or nutritional imbalance due to food insecurity, defined as being unable to obtain nutritionally adequate, medically appropriate and/or safe foods.<sup>9</sup>

#### Service Limitations:

1. Enrollee must not have current capacity to shop and cook for themselves or must not have adequate social support to meet these needs.
2. If potentially eligible for the Supplemental Nutrition Assistance Program (SNAP) and/or the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the Enrollee must either:
  - a. Be enrolled in SNAP and/or WIC, or
  - b. Be in the process of submitting a SNAP and/or WIC application, or
  - c. Have been determined ineligible for SNAP and/or WIC within the past 12 months.
3. Enrollee cannot be currently receiving duplicative support through other federal, state, or locally-funded programs.

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<sup>8</sup> In April 2022, [MDHHS](#) lowered the definition of elevated blood lead level to 3.5 µg/dL or greater, based on an updated BLRV from CDC.

<sup>9</sup> Social Risk Factor screening should be conducted pursuant to MDHHS guidance.

4. This service cannot be covered if the Enrollee would be eligible for a Medicaid covered service that is substantively the same.

#### *Allowable ILOS Providers*

Healthy Home Delivered Meal Providers must have experience and expertise with providing these, or similar, services. MDHHS has a strong preference for ILOS Providers to be locally-based.

ILOS Providers must have protocols in place to ensure food quality and freshness at the time it is provided to an Enrollee and for evaluating and providing food that the Enrollee can process (e.g., open) and safely store. ILOS Providers must also be able to make accommodations for individuals with disabilities, individuals with limited English proficiency and individuals with low health literacy.

They must also meet the following qualifications, at a minimum:

- Have the capacity to provide the volume of meals agreed upon with the MHP
- Operate according to the Michigan Food Code
- Deliver food at safe temperatures
- Document meals served
- Have available written plans for continuing services in emergency situations such as short-term natural disasters (e.g., snow or ice storms), loss of power, physical plant malfunctions, etc. The provider shall train staff and volunteers on procedures to follow in the event of severe weather or natural disasters and the county emergency plan
- Have written protocols for communicating with Enrollees and resolving any issues (e.g., delays, emergency situations) that impact service delivery

#### **Healthy Food Pack**

##### *Service Description*

A healthy food pack consists of an assortment of medically-tailored or nutritionally-appropriate foods provided to an Enrollee. It must not contain ultra-processed foods or foods with excessive sugar or salt. The healthy food pack may include an accompanying fluid/drink and/or a supplementary food item to support meeting an Enrollee's nutrition needs if medically appropriate (e.g., to provide access to fluids and/or support taking medication accompanied by food).

Healthy food packs may also be provided alongside nutrition education materials related to topics including but not limited to healthy eating and cooking instructions. This is an optional addition to the benefit.

Healthy food packs must meet Enrollee preferences in relation to specific food items, portion size, dietary needs, allergy restrictions and cultural and/or religious preferences.

### *Frequency*

Typically weekly for up six (6) months, or longer if determined to be medically necessary.

### *Setting*

A healthy food pack is offered for pick-up by the Enrollee in a community setting, for example at a food pantry, community center, or a health clinic; **or** a healthy food pack is delivered to the Enrollee's home.

### *Eligible Enrollees*

Enrollees will be eligible for services if they meet at least one (1) of the clinical risk factors, the one (1) social risk factor and the service limitations.

The need for services must be documented, for example, in the Enrollee's care plan or medical record. The provided service must be medically appropriate for the documented need.

### *Clinical Risk Factors:*

1. Enrollee has a nutrition-sensitive conditions, including diabetes, cardiovascular disorders, congestive heart failure, stroke, chronic lung disorders, hypertension, HIV, cancer, obesity, oral health disease, malnutrition, sickle cell disease, renal disease or mental/behavioral health disorders.
2. Enrollee has been discharged from the hospital or a skilled nursing facility within the last 90 days.
3. Enrollee has been identified by the MHP to be at risk of avoidable emergency department visit, hospital admission or institutionalization.
4. Enrollee is and currently has, has a history of, or is at risk for at least one (1) of the following: High-risk pregnancy, history of previous pregnancy, delivery, or birth complication including gestational diabetes, preeclampsia, preterm labor, preterm birth, placental abruption, newborn low birth weight, stillbirth, hyperemesis gravidarum and other causes of dehydration, maternal low birth weight of less than 2500 grams, multiple pregnancy, malnutrition, an acute or chronic respiratory condition, infection, mental health condition, heat stroke or heat exhaustion, hypothermia, frostbite, or chilblains, abuse or interpersonal violence.
5. Enrollee is a former foster care youth in Foster Care Transitional Medicaid and at greater risk for an adverse clinical outcome.
6. Enrollee is a child with elevated blood lead levels, experiencing ACEs or at risk of developing chronic or acute conditions due to food insecurity (e.g., failure to thrive, childhood obesity, asthma, depression).
7. Enrollee is a child eligible for the CSHCS program.

8. Enrollee is eligible for the PSHCN program.
9. Enrollee is eligible for Medicaid based on an eligibility designation of disability.

**Social Risk Factor:**

1. Enrollee is at risk for nutritional deficiency or nutritional imbalance due to food insecurity, defined as being unable to obtain nutritionally adequate, medically appropriate and/or safe foods.<sup>10</sup>

**Service Limitations:**

1. If being delivered, the Enrollee does not have current capacity to shop for themselves or is unable to get to a food distribution site.
2. If potentially eligible for the Supplemental Nutrition Assistance Program (SNAP) and/or the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the Enrollee must either:
  - a. Be enrolled in SNAP and/or WIC, or
  - b. Be in the process of submitting a SNAP and/or WIC application, or
  - c. Have been determined ineligible for SNAP and/or WIC within the past 12 months.
3. Enrollee cannot be currently receiving duplicative support through other federal, state, or locally-funded programs.
4. This service cannot be covered if the Enrollee would be eligible for a Medicaid covered service that is substantively the same.

***Allowable ILOS Providers***

Healthy Food Pack Providers must have experience and expertise with providing these, or similar, services. MDHHS has a strong preference for ILOS Providers to be locally-based.

ILOS Providers must have protocols in place to ensure food quality and freshness at the time it is provided to an Enrollee and for evaluating and providing food that the Enrollee can process (e.g., open) and safely store. ILOS Providers must be able to make accommodations for individuals with disabilities, individuals with limited English proficiency and individuals with low health literacy.

ILOS Providers must also have written protocols for communicating with Enrollees and resolving any issues (e.g., delays, emergency situations) that impact service delivery.

ILOS Providers may also have the ability to provide nutrition education materials related to topics including but not limited to healthy eating and cooking instructions.

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<sup>10</sup> Social Risk Factor screening should be conducted pursuant to MDHHS guidance.

## Produce Prescription

### *Service Description*

A voucher for the Enrollee to purchase any variety of fruits and vegetables or plants/seeds that produce fruits and vegetables from a participating food retailer. A voucher transaction may be facilitated manually or electronically, depending on the most appropriate method for a given food retail setting.

Items purchased must align with one (1) of the following:

- WIC-eligible fruits and vegetables
- GusNIP-eligible fruits and vegetables
- Double Up Food Bucks Michigan-eligible foods

Vouchers may also be provided alongside nutrition education materials related to topics including but not limited to healthy eating and cooking instructions. This is an optional addition to the benefit.

### *Frequency*

Enrollees can receive a Produce Prescription for up to six (6) months, or longer if determined to be medically necessary. Each Produce Prescription voucher will have a duration as defined by the ILOS Provider offering it. For example, some ILOS Providers may offer monthly vouchers while others may offer weekly vouchers.

### *Setting*

Enrollees redeem vouchers at participating food retailers. It is strongly encouraged that produce prescriptions are redeemed at food retailers that adhere to the definition of a locally-based ILOS Provider (refer to Section III. ILOS Administration).

### *Eligible Enrollees*

Enrollees will be eligible for services if they meet at least one (1) of the clinical risk factors, the one (1) social risk factor and the service limitations.

The need for services must be documented, for example, in the Enrollee's care plan or medical record. The provided service must be medically appropriate for the documented need.

### *Clinical Risk Factors:*

1. Enrollee has a nutrition-sensitive conditions, including diabetes, cardiovascular disorders, congestive heart failure, stroke, chronic lung disorders, hypertension, HIV, cancer, obesity, oral health disease, malnutrition, sickle cell disease, renal disease or mental/behavioral health disorders.
2. Enrollee has been discharged from the hospital or a skilled nursing facility within the last 90 days.

3. Enrollee has been identified by the MHP to be at risk of avoidable emergency department visit, hospital admission or institutionalization.
4. Enrollee is and currently has, has a history of, or is at risk for at least one (1) of the following: High-risk pregnancy, history of previous pregnancy, delivery, or birth complication including gestational diabetes, preeclampsia, preterm labor, preterm birth, placental abruption, newborn low birth weight, stillbirth, hyperemesis gravidarum and other causes of dehydration, maternal low birth weight of less than 2500 grams, multiple pregnancy, malnutrition, an acute or chronic respiratory condition, infection, mental health condition, heat stroke or heat exhaustion, hypothermia, frostbite, or chilblains, abuse or interpersonal violence.
5. Enrollee is a former foster care youth in Foster Care Transitional Medicaid and at greater risk for an adverse clinical outcome.
6. Enrollee is a child with elevated blood lead levels, experiencing ACEs or at risk of developing chronic or acute conditions due to food insecurity (e.g., failure to thrive, childhood obesity, asthma, depression).
7. Enrollee is a child eligible for the CSHCS program.
8. Enrollee is eligible for the PSHCN program.
9. Enrollee is eligible for Medicaid based on an eligibility designation of disability.

#### Social Risk Factor:

1. Enrollee is at risk for nutritional deficiency or nutritional imbalance due to food insecurity, defined as being unable to obtain nutritionally adequate, medically appropriate and/or safe foods.<sup>11</sup>

#### Service Limitations:

1. If potentially eligible for the Supplemental Nutrition Assistance Program (SNAP) and/or the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the Enrollee must either:
  - a. Be enrolled in SNAP and/or WIC, or
  - b. Be in the process of submitting a SNAP and/or WIC application, or
  - c. Have been determined ineligible for SNAP and/or WIC within the past 12 months.
2. Enrollee cannot be currently receiving duplicative support through other federal, state, or locally-funded programs.

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<sup>11</sup> Social Risk Factor screening should be conducted pursuant to MDHHS guidance.

3. This service cannot be covered if the Enrollee would be eligible for a Medicaid covered service that is substantively the same.

*Allowable ILOS Providers*

ILOS Providers of Produce Prescriptions deliver vouchers to Enrollees and must have experience and expertise with providing these, or similar, services. MDHHS has a strong preference for food retailers to be locally-based. ILOS Providers must also be able to make accommodations for individuals with disabilities, individuals with limited English proficiency and individuals with low health literacy.

ILOS Providers may also have the ability to provide nutrition education materials related to topics including but not limited to healthy eating and cooking instructions.

### III. ILOS to State Plan Service Crosswalk

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The table below summarizes potential Michigan Medicaid State Plan services or settings that each of the nutrition-focused ILOS may substitute. ILOS may represent (1) an immediate substitute for a State Plan-covered service or setting or (2) a substitute for a State Plan-covered service or setting over a longer timeframe. Please refer to the ILOS Evidence Review Summary for details on the medical appropriateness and cost effectiveness of these ILOS.<sup>12</sup>

*Table 1. ILOS to State Plan Service Crosswalk*

ILOS	Potential State Plan Service or Setting Substitute
<b>Nutrition ILOS</b>	Emergency Services
	Emergency Medical Transportation
	Home Health Services
	Inpatient and Outpatient Hospital Services
	Intermittent or short-term restorative or rehabilitative services, in a nursing facility, up to 45 days

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<sup>12</sup> The ILOS Evidence Review Summary is available at:  
<https://www.michigan.gov/mdhhs/mihealthylife/michigan-in-lieu-of-services>.



## IV. MHP ILOS Administration

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ILOS can be important resources in addressing eligible Enrollees' nutrition needs, improving health and reducing the need for medical services. MDHHS encourages MHPs to offer a robust menu of ILOS. The following section outlines requirements and provides guidance related to:

- Offering and terminating ILOS
- Developing an ILOS Implementation Plan describing how the MHP will administer its ILOS
- Developing and maintaining an ILOS Provider Network.

### Offering ILOS

An MHP may elect to offer one (1) or more of the ILOS types and may choose which of its Region(s) to offer the specific ILOS type(s). The MHP may choose to offer different ILOS in different Regions. It must, however, make the ILOS available for all eligible Enrollees residing within the Region(s) it is electing to offer ILOS.

### *Adherence to Full ILOS Service Definitions*

MHPs must adhere to the full MDHHS-established ILOS service definitions without modifications or restrictions. MHPs may not:

- Adopt a more narrowly defined eligible population than what is defined in the ILOS definition (refer to Section II. Service Definitions). For example, an MHP choosing to offer an ILOS cannot reduce the clinical risk factors that would make an Enrollee potentially eligible for the ILOS from those listed in the Service Definition.
- Extend ILOS to Enrollees beyond those for whom MDHHS has determined the ILOS will be cost-effective and medically appropriate (refer to Section II. Service Definitions). For example, an MHP choosing to offer an ILOS cannot add to the clinical risk factors that would make an Enrollee eligible for the ILOS from those listed in the Service Definition.

### *Adding ILOS*

In contract year 2025, MHPs may begin offering ILOS at any point following MDHHS approval of an MHP's Implementation Plan (refer to Section IV. MHP ILOS Administration, ILOS Implementation Plan).

In subsequent contract years, 2026 and beyond, MDHHS reserves the right to implement phased start dates by which MHPs may begin offering new ILOS.

Offering, or not offering, ILOS does not preclude an MHP from offering value-added services. However, if MHPs have offered similar services that address Enrollees' health-related social needs (e.g., meals) through value-added services, MHPs are strongly

encouraged to evaluate and determine the feasibility of transitioning them into ILOS.<sup>13</sup> MDHHS reminds MHPs that any value-added services provided to an Enrollee must not be included in encounter submissions.

### *Discontinuing ILOS*

MHPs are allowed to terminate one (1) or more ILOS once annually at the end of the contract year upon written notice to MDHHS. MDHHS will grant exceptions only in cases where continuing to offer an ILOS poses Enrollee safety or health concerns.

For MHPs offering more than one (1) ILOS types, the MHP is permitted to terminate one (1) or more ILOS types, while continuing to offer other ILOS types (e.g., an MHP may opt to terminate offering Healthy Food Packs but continue offering Produce Prescriptions). If an MHP terminates a minimum of one (1) ILOS, it must:

- Notify MDHHS in writing of the intent to discontinue offering ILOS 90 days in advance of the end of the contract year. MHPs must include in their notification the reasoning for terminating a service, plans to publicize the service end date and plans for continuity of care for Enrollees receiving that service.
- Notify any contracted ILOS Providers in writing of the intent to discontinue offering ILOS 90 days in advance of the end of the contract year with 90 days' prior written notice if the MHP terminates offering of ILOS.
- Publicize the service end date and provide at least 60 days' notice to their Enrollees and implement a plan for continuity of care for Enrollees receiving that ILOS. ILOS that were authorized for an Enrollee prior to the discontinuation of the service must not be disrupted. In such cases, the MHP must either complete the authorized service or transition the Enrollee to another service that would meet the Enrollee's need(s).

### ILOS Implementation Plan

MHPs must develop a forward-looking ILOS Implementation Plan, demonstrating what, when and how MHPs will provide ILOS.

As part of the ILOS Implementation Plan submissions, MHPs must describe:

- ILOS the MHP is offering, the Region(s) the ILOS will be offered in and the date each elected ILOS is expected to launch
- Information about:
  - How the MHP will administer ILOS, including policies and procedures describing how service delivery will occur, expected duration and

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<sup>13</sup> Per 42 CFR 438.3(e)(1), MHPs may continue to provide such services even if it is determined that the services cannot transition to ILOS. Such voluntary services are not subject to the terms of this Policy Guide and are subject to the limitations of 42 CFR section 438.3(e)(1).

frequency of the ILOS and any other information relevant to the delivery of the ILOS

- The ILOS Provider network, including, but not limited to, a list of its ILOS Providers, contracting and network capacity information and policies and procedures related to network development and maintenance, oversight and monitoring. MHPs may include ILOS Providers with whom they do not have fully executed contracts; however, MHPs must indicate the status of all contracting arrangement in the ILOS Implementation Plan
- The policies and procedures for working with ILOS Providers to deliver ILOS, including, but not limited to:
  - MHP identification of Enrollees who are eligible for ILOS
  - MHP ILOS authorization for eligible Enrollees
  - Referrals for ILOS
  - MHP tracking and verifying authorized ILOS are delivered to the Enrollee
  - Grievances and Appeals
  - MHP payment to ILOS Providers
  - MHP data sharing with ILOS Providers

MHPs are strongly encouraged to coordinate with other MHPs that offer ILOS in the same Regions on the development of the ILOS Implementation Plan.

#### *ILOS Implementation Plan Submissions*

MHPs must submit for MDHHS approval their ILOS Implementation Plan using a template developed by MDHHS. In the ILOS Implementation Plan, MHPs are encouraged to highlight how ILOS will be implemented over the course of a year, and it must be submitted to MDHHS at least 60 days in advance of the earliest date in which the MHP will offer ILOS.

If the MHP needs to modify the ILOS Implementation Plan due to a significant change, the MHP must resubmit an updated ILOS Implementation Plan for approval by MDHHS. Examples of significant changes include, but are not limited to:

- The addition or discontinuation of ILOS
- Changes to the MHP's policies and procedures that impact how ILOS are administered and delivered to Enrollees
- Changes to its agreements with ILOS Providers

MHPs are not required to submit a modified ILOS Implementation Plan in the following scenarios:

- The MHP is delayed in launching ILOS from the start date approved in the Implementation Plan. Instead, MHPs must notify MDHHS of the delayed start and when ILOS are reasonably expected to begin.
- If electing to expand the Regions in which it is offering an ILOS it has already received approval to offer. Instead, the MHP must submit information on their network that will cover the expanded Region(s) and any modifications made to their ILOS policies and procedures. Each MHP's ILOS Implementation Plan submission will be used to determine its readiness to provide ILOS. MDHHS will review and seek to approve ILOS Implementation Plans within 60 days of submission. MDHHS may, at its discretion, require resubmission of the ILOS Implementation Plan or submission of additional material.

### ILOS Provider Network Development and Maintenance

ILOS Providers are entities with whom the MHP has an agreement for the delivery of ILOS. ILOS Providers must meet the requirements of the "Allowable Provider" (refer to Section II. Service Definitions) for each service they are contracted to provide.

To ensure authorized ILOS are provided to eligible Enrollees in a timely manner, MHPs are required to develop and maintain a network of ILOS Providers for the provision of all elected ILOS. This network must be included in a provider directory available on the MHP's website and maintained in accordance with Section XIII.G of the Contract. MHPs may add new ILOS Providers to their network at any time following submission and approval of an ILOS Implementation Plan.

#### *ILOS Provider Agreements*

MHPs must enter into contracting agreements with ILOS Providers to deliver ILOS. MHPs must contract with ILOS Providers that have experience and expertise with providing these, or similar, services (refer to Section II. Service Definitions for more information about the Allowable Providers of each service).

#### **Examples of entities that may become ILOS Providers are:**

- **Community-based organizations:** 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
- **Vendors:** Private, non-profit or for-profit companies that provide nutrition-related goods or services that may not be operating in Michigan

MHPs must incorporate all requirements, policies and procedures described in its ILOS Implementation Plan in its ILOS Provider contracting agreements, as appropriate. MDHHS-developed ILOS Standard Agreement Terms are required for use in all MHP-

ILOS Provider contracting agreements for the provision of ILOS. When submitting their ILOS Implementation Plans, MHPs must also share a copy of a template contract they intend to use for contracting with ILOS Providers demonstrating inclusion of all the required provisions or, at a minimum, substantively similar provisions.<sup>14</sup>

### *Locally-based ILOS Providers*

MDHHS has a strong preference for ILOS Providers to be locally-based. To be a locally-based ILOS Provider, an organization must be:

1. A community-based organization<sup>15</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<sup>16</sup>;
2. Be an independent community grocer<sup>17</sup>, headquartered in Michigan; or
3. Be a direct marketing farmer<sup>18</sup>, headquartered in Michigan.

MDHHS recognizes that locally-based ILOS Providers may need to develop infrastructure, capacity and experience to deliver ILOS.

In contract year 2025, MDHHS requires at least 30% of each ILOS type be provided by locally-based ILOS Providers, and MHPs must meet the minimum percentage for each ILOS type it offers. The calculation will be based on delivered services, which MHPs must submit encounters for and report in the ILOS Quarterly Implementation Monitoring Report (refer to Section IX. Monitoring and Reporting). The calculation will be assessed annually in the second quarter of the contract year following the contract year the ILOS are offered. It will include all ILOS delivered during the relevant contract year, regardless of if the ILOS were offered by the MHP for the entire contract year.

When determining the percentage of services delivered by locally-based ILOS Providers for Medically Tailored Home Delivered Meals, Healthy Home Delivered Meals and Healthy Food Packs, MDHHS will:

- Step 1: Sum the volume of ILOS of each ILOS type delivered by locally-based ILOS Providers.

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<sup>14</sup> The MDHHS-developed required ILOS Standard Agreement Terms is available at: <https://www.michigan.gov/mdhhs/mihealthylife/michigan-in-lieu-of-services>.

<sup>15</sup> Please refer to the definition of a CBO in the Contract. MDHHS expects that the majority of ILOS Providers will be non-clinical CBOs.

<sup>16</sup> Participating in the Michigan food economy includes growing, processing, preparing, retailing, distributing or managing waste from food produced within the state of Michigan.

<sup>17</sup> Please refer to the definition of an independent community grocer as defined by the [National Grocers Association](#).

<sup>18</sup> Please refer to the definition of a direct marketing farmer as defined by the [Supplemental Nutrition Assistance Program \(SNAP\)](#).

- Step 2: Divide the volume of ILOS of each ILOS type delivered by locally-based ILOS Providers by the total volume of services of each ILOS type delivered by all ILOS Providers contracted with the MHP.

Refer to *Table 2* for an example calculation.

Because the Produce Prescription ILOS is the receipt of a voucher and not the direct provision of food like the other ILOS, MDHHS will leverage a different methodology to determine the percentage of Produce Prescriptions delivered by locally-based ILOS Providers. For Produce Prescriptions only, MDHHS will:

- Step 1: Calculate a Retail Network Multiplier to determine the percentage of food retailers where vouchers could be redeemed that meet the locally-based ILOS Provider definition. The Retail Network Multiplier will be calculated for each ILOS Provider delivering a voucher by dividing the number of food retailers that meet the MDHHS locally-based ILOS Provider definition by the total number of food retailers where a voucher could be redeemed.
- Step 2: Multiply the total number of vouchers issued by an ILOS Provider by the Retail Network Multiplier to determine the locally-based adjusted ILOS volume for each ILOS Provider.
- Step 3: Determine compliance with the 30% threshold by summing the locally-based adjusted service volume across all ILOS Providers divided by the total vouchers distributed across all ILOS Providers.

Refer to *Table 3* for an example calculation.

The minimum percentage of ILOS provided by locally-based ILOS Providers will increase further in contract year 2026 and beyond. MDHHS reserves the right to revise how it calculates the percentage of locally-based ILOS Providers in the future.

**Table 2. Example calculations of ILOS type delivered by locally-based ILOS Providers.**

Region	Services Delivered By	MHP #1		MHP #2	
		Medically Tailored Home Delivered Meals	Healthy Home-Delivered Meals	Medically Tailored Home Delivered Meals	Healthy Food Packs
A	Locally-based Providers	-	500	50	2,000
	Other Providers	1,000	4,000	300	1,000
B	Locally-based Providers	-	500	100	500
	Other Providers	500	1,200	600	5,000
C	Locally-based Providers	500	3,000	400	1,000
	Other Providers	500	3,000	400	7,500
Total	Locally-based Providers	500	4,000	550	3,500
	Other Providers	2,000	8,200	1,300	13,500
	<b>TOTAL</b>	2,500	12,200	1,850	17,000
<b>PERCENTAGE OF ILOS DELIVERED BY LOCALLY-BASED ILOS PROVIDERS</b>		<b>20%</b>	<b>33%</b>	<b>30%</b>	<b>21%</b>

**Key:** Green = MHP met minimum threshold; Red = MHP did not meet minimum threshold

**Table 3. Example calculation of Produce Prescriptions delivered by locally-based ILOS Providers.**

Calculation Step	Example Calculation			
	ILOS Provider of Produce Prescriptions			
	Unit	Provider #1	Provider #2	Provider #3
Step 1: Calculate the Retail Network Multiplier	Locally-based retail sites	200	200	0
	Total retail sites in the network	500	200	200
	<b>Retail Network Multiplier</b>	<b>40%</b>	<b>100%</b>	<b>0%</b>

Step 2: Apply the Multiplier to Vouchers Issued	Total vouchers issued	10,000	5,000	5,000
	Retail Network Multiplier	40%	100%	0%
	<b>Locally-based adjusted service volume</b>	<b>4,000</b>	<b>5,000</b>	<b>0</b>

Step 3: Determine Compliance with 30% Threshold	Locally-based adjusted service volume across all ILOS Providers		9,000
	Total vouchers issued across all ILOS Providers		20,000
	<b>Adjusted percentage of locally-based services</b>		<b>45%</b>

**Key:** Green = MHP met minimum threshold

If MHPs are unable to meet the minimum percentage of ILOS delivery by locally-based ILOS Providers, MHPs may request an exception to allow for ILOS to be provided by out-of-state or national providers. Exceptions are to be submitted to MDHHS with the MHP's initial ILOS Implementation Plan for approval. Exception requests should include:

- ILOS type for which an exception is requested
- Locally-based contracted ILOS Provider Capacity for the specific ILOS across the Regions where the MHP elects to offer ILOS
- Explanation of why an exception is needed

Approved exceptions requests will be valid for one contract year. If MHPs are still unable to meet the minimum percentage of ILOS delivery by locally-based ILOS Providers, MHPs must submit a new exception request to MDHHS at least 60 days in advance of the contract year in which the MHP requires the exception.

#### *ILOS Provider Network Capacity*

MHPs' ILOS Provider networks must have sufficient numbers, mix and geographic locations to deliver all elected ILOS to meet Enrollee needs. As such, MHPs must



ensure ILOS Providers can deliver an agreed-upon volume of ILOS on an ongoing basis. MHPs must ensure their ILOS Provider Networks can deliver services to all eligible Enrollees within the Regions MHPs offer ILOS, including, but not limited to, Enrollees with limited English proficiency, Enrollees who are deaf or hard of hearing and Enrollees with physical or mental disabilities. MHPs may contract with multiple ILOS Providers in one (1) Region or across Regions where MHPs offer ILOS in order to ensure the ILOS Provider network is sufficient.

MHPs must develop policies and procedures outlining its approach to managing ILOS Provider networks, including, but not limited to, the following:

- How it will regularly monitor its ILOS Provider network capacity
- How it will manage shortages or other barriers to timely delivery of ILOS to eligible Enrollees

MHPs must submit their ILOS Provider network policies and procedures to MDHHS as part of their ILOS Implementation Plan for approval.

### Delegation of ILOS Administration to an Intermediary

MHPs are permitted to enter into contracting agreements with other Michigan-based entities to administer ILOS. MDHHS refers to such entities as “Intermediaries”. MHPs can delegate a variety of roles related to management, delivery and oversight of ILOS to an Intermediary based on their own needs and/ or to streamline working with ILOS Providers. For example, an MHP could contract with an Intermediary to develop, maintain and monitor a network of ILOS Providers, manage ILOS referrals and/or conduct administrative responsibilities on behalf of the MHP, such as paying ILOS claims (or invoices). However, MHPs cannot delegate medical appropriateness determination and ILOS authorization to an Intermediary.

If an MHP contracts with an Intermediary to perform any of its administrative responsibilities, the MHP must maintain and is responsible for compliance and oversight of the Intermediary, including adherence to all Contract provisions, including requirements outlined in Sections 2.2 and 2.3 of the Contract and requirements in this Policy Guide.

If MHPs opt to delegate administration of any portion of its ILOS responsibilities the MHP must:

- Report to MDHHS the names of all Subcontractors by Subcontractor type and service(s) provided, and identify the Region(s) in which Enrollees are served
- Make all Subcontractor agreements available to MDHHS upon request

## V. Enrollee Engagement Responsibilities

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MHPs are responsible for developing written policies and procedures describing how they will identify Enrollees for whom ILOS are medically appropriate, authorize ILOS for eligible Enrollees, refer Enrollees to ILOS Providers and verify Enrollees receive ILOS. All policies and procedures must be equitable and must not further exacerbate health disparities.

MHPs must submit their Enrollee engagement policies and procedures to MDHHS as part of their ILOS Implementation Plan for approval.

MHPs are encouraged to coordinate with other MHPs that offer ILOS in the same Regions on the development of its policies and procedures for providing ILOS to Enrollees.

### Identifying Enrollees for ILOS

MHPs must identify Enrollees for whom ILOS may be a medically appropriate substitute for Michigan Medicaid State Plan services or settings using a variety of methods. MHPs are required to inform Enrollees and their Network Providers about available ILOS and the process to access ILOS. MHPs must also train their Member Services or Customer Services Department and Call Centers about how to manage referrals for ILOS.

MHPs policies and procedures must address but are not limited to the following:

- How MHPs will identify Enrollees eligible for ILOS
- How MHPs will accept and respond to requests to evaluate Enrollees for ILOS from external sources, including directly from Enrollees and their caregivers and/or families, Network Providers, ILOS Providers, Community-based Organizations (CBOs), Community Health Workers and others
- How MHPs will notify Enrollees who the MHP identified may be eligible for ILOS about available ILOS and their related benefits

### *Methods for Identifying Enrollees*

MDHHS encourages MHPs to use several methods for identifying Enrollees for ILOS, including, but not limited, to:

- Claims and encounter data, such as medical claims data, pharmacy data and laboratory results
- Utilization management data
- Results from screenings, including the initial screening of new Enrollees' needs upon enrollment (refer to Section 1.1.V.S.3 of the Contract), Health Risk Assessments (refer to Section 1.1.X.C.5 of the Contract), health-related social

needs screening<sup>19</sup> and eligibility status (e.g., persons receiving Medicaid for the blind or disabled and CSHCS)

- Risk stratification processes (refer to Section 1.1.X.D.1 of the Contract) used to identify Enrollees by population or sub-population who qualify for intensive, moderate or low intensity care management
- Requests from external sources

MHPs are encouraged to actively monitor how Enrollees are identified for ILOS, including levels of Enrollee receipt of ILOS by identification source(s), with a goal of continually improving engagement and ILOS utilization among eligible Enrollees.

### Authorizing ILOS for Eligible Enrollees

To support Enrollees' access to any offered ILOS, MHPs must have policies and procedures in place to determine Enrollee's eligibility for and authorize each ILOS . In accordance with the Contract, MHPs must ensure the medical appropriateness of each ILOS for the Enrollee. MHPs must authorize ILOS for Enrollees who are deemed eligible.

MHP policies and procedures must address but are not limited to the following:

- The process MHPs will follow to ensure and document the medical appropriateness of each ILOS for the Enrollee
- How MHPs will ensure timely authorization determinations so that the Enrollee does not experience excessive delays due to the authorization process
- How and when MHPs will expedite authorization of ILOS for urgent needs, including the circumstances when expedited authorization applies
- How MHPs will notify Enrollees of authorization determinations, including drafting of any Enrollee notices, and in what timeframes

MHPs are responsible for confirming ILOS is medically appropriate for a given Enrollee, authorizing ILOS and regularly monitoring their authorization process. This responsibility cannot be delegated to an Intermediary. As such, MHPs must ensure that eligible Enrollees are being authorized for ILOS, authorizations are not occurring inequitably and that Enrollees continue to receive all other medically appropriate covered services. Additionally, Enrollees must only receive one (1) ILOS type at a given time.

MHPs are encouraged to have a process to notify the Enrollee's care manager of authorization determinations if the Enrollee is in care management.

### *Assessing Medical Appropriateness*

MHPs' processes for determining medical appropriateness requires documentation that ILOS is medically appropriate for the Enrollee and is likely to reduce or prevent the need for Michigan Medicaid State Plan covered services based on the professional

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<sup>19</sup> Social Risk Factor screening should be conducted pursuant to MDHHS guidance.

judgement of licensed clinical staff at the MHP or a Provider in the Provider Network. Per federal regulations, medical appropriateness must be determined and documented by “a licensed network or MCO, PHIP or PAHP staff provider”; therefore, ILOS Providers cannot determine medical appropriateness unless they also meet the definition of a Provider per the Contract.<sup>20</sup>

Medical appropriateness must be determined and documented when the ILOS is authorized (or reauthorized) for the Enrollee. This process may be incorporated into the MHP’s utilization management process or may include provider-level documentation in an Enrollee’s care plan or other record. In many cases, Enrollees who receive ILOS may also receive care management. The MHP may document the Enrollee needs that qualify them for an ILOS and ensure it is a medically appropriate substitute for a State Plan service in a care plan.

- For example, when authorizing a Produce Prescription, MHPs are required to document how and why the Produce Prescription is medically appropriate for the Enrollee. MHPs may use evaluations to document the Enrollee’s clinical risk factors and social risk factors that qualify them for this service and ensure it is a medically appropriate substitute for State Plan services. Per the service definition, this could include documentation of gestational diabetes, food insecurity and documentation from a licensed Provider that the service will likely help avoid gestational diabetes-related emergency department visits, hospitalizations, or other high-cost State Plan services the ILOS substitutes.

#### *Authorization Determination Timeframes*

MHPs’ policies and procedures must establish timeframes for standard and expedited authorization decisions. In accordance with the Contract (refer to Section 1.1.XI.I.5.a.), these timeframes may not exceed 14 days from date of receipt for standard authorization decisions and 72 hours from date of receipt for expedited authorization decisions. However, timeframes may be extended if they meet the criteria in Section 1.1.XI.I.5.c. of the Contract.

MHPs must expedite the authorization of ILOS for urgent needs. For example, Medically Tailored Home Delivered Meal or Healthy Home Delivered Meals following an Enrollee’s discharge from an acute care setting are likely urgent. MDHHS encourages MHPs to consider similar instances and apply expedited authorization accordingly.

MHPs are encouraged to work with ILOS Providers to determine appropriate circumstances for presumptive ILOS authorization of all ILOS offered when a delay would otherwise jeopardize Enrollee health.

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<sup>20</sup> See 42 CFR 438.16(d)(1)(iv).

## Referring Enrollees to ILOS & Tracking Referral Outcomes

MHPs must ensure that Enrollees are referred for authorized ILOS and verify that ILOS are delivered.

MHP policies and procedures must address but are not limited to the following:

- How MHPs will ensure the Enrollee agrees to receive ILOS
- How referrals will occur
- How referrals will consider Enrollee preference for ILOS Providers, if an Enrollee has a preference and the preference is feasibly achieved
- How MHPs will work with the Enrollee's care manager (if applicable) to coordinate ILOS referrals and communicate about the outcome of a referral
- How MHPs will track referrals to completion
- How MHPs will verify that a service is delivered in a timely manner after service authorization
- How MHPs will regularly monitor referrals and referral outcomes

### *Transition of Care for Enrollees Receiving ILOS Moving to Another MHP*

If an Enrollee transitions to a new MHP and the new MHP offers the same ILOS that the Enrollee received under their previous MHP, then the new MHP must authorize the same ILOS for that Enrollee.

Where the new MHP offers the same ILOS(s) as the previous MHP, the new MHP must:

- Automatically authorize newly enrolled MHP Enrollees who were receiving a ILOS through their previous MHP for at least the duration authorized by the previous MHP or 90 days, whichever is longer
- Have a process for engaging the previous MHP, Enrollee and/or ILOS Provider to mitigate gaps in care
- Have a process to determine Enrollee's eligibility for ILOS and subsequent reauthorization of an ILOS authorized by a previous MHP based on medical appropriateness of each ILOS for the Enrollee

To the extent possible, the new MHP should authorize the service with the same ILOS Provider already providing the ILOS to the Enrollee. The new MHP is encouraged to consider a contracting arrangement for the ILOS Provider(s) the new Enrollee is already receiving ILOS from (if the ILOS Provider is not currently contracted with the new MHP); it is, however, within the right of the new MHP to transition the Enrollee to an ILOS Provider within the MHP's existing network.

## Deauthorizing ILOS

MHPs must have processes in place for monitoring ILOS utilization and deauthorizing ILOS for Enrollees who no longer qualify for, no longer require or no longer want to receive ILOS services.

MHP policies and procedures must address but are not limited to the following:

- How MHPs will determine it is appropriate to deauthorize ILOS
- How MHPs will notify Enrollees that ILOS will be deauthorized (unless the deauthorization is due to the Enrollee no longer wanting to receive ILOS)
- How the MHP will document Enrollee requests to no longer utilize ILOS
- How the MHP will provide prior written notice to the ILOS Provider that ILOS will be deauthorized
- How the MHP will notify the Enrollee's care manager that ILOS will be deauthorized (if the Enrollee is in care management)

MHPs must give Enrollees timely and adequate notice that an ILOS will be discontinued. An Adverse Benefit Determination in writing is required in all situations except for when an eligible Enrollee chooses not to participate, per Section 1.1.XIII.H.6. of the Contract.

## Grievances & Appeals

ILOS are subject to the Grievances and Appeals process outlined in Section 1.1.XIII.H of the Contract.

Enrollees always retain the right to file Appeals and/or Grievances if they request one (1) or more ILOS offered by the MHP but were not authorized to receive the requested ILOS. ILOS are additionally subject to the State Fair Hearings process.

MHPs must regularly monitor Grievances and Appeals to ensure that Enrollee rights related to ILOS are not violated. MHPs must be able to identify Grievances and Appeals pertaining to ILOS and MHPs must maintain a record of all Grievances and Appeals, including a description of the reason for the Grievance or Appeal, the date received and the date of review or review meeting (if applicable).

## Website Requirements

MHPs must make up-to-date ILOS information publicly available on their website, consistent with Section XIII.C.1.d of the Contract. At a minimum, MHPs must make the following information easily accessible:

- Enrollee and Provider facing information about ILOS, including that ILOS are optional for Enrollees to use, the potential benefits of ILOS, how to request access to ILOS and how to file Grievances and Appeals for ILOS

- Information about the ILOS offered by the MHP, including, at minimum:
  - A short description of each available service that is consistent with the service definitions listed in this ILOS Policy Guide (refer to Section II. Service Definitions).
  - The population(s) eligible for each service
  - The Region(s) in which each ILOS is offered by the MHP
- Complete list of ILOS Providers included in the provider directory to be maintained in accordance with Section XIII.G of the Contract, and include the following information:
  - ILOS Provider/Organization Name
  - ILOS type offered
  - Address
  - Telephone Number
  - Website URL (as applicable)
  - Cultural and linguistic capabilities (including American Sign Language)
  - Whether the ILOS Provider's office/location accommodates persons with physical disabilities
  - Office hours
  - Languages spoken other than English

## VI. ILOS Provider Policy

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The introduction of ILOS will require MHPs to enter into contracting agreements with new types of providers (ILOS Providers) that can deliver ILOS to eligible Enrollees. While many MHPs have some experience working with organizations that may become ILOS Providers, this may be a new arrangement for many ILOS Providers with limited experience delivering individual, Medicaid reimbursable services.

MHPs must work closely with ILOS Providers, ensuring they are qualified to deliver ILOS for which they are contracted (refer to Section II. ILOS Definitions for allowable providers of each service), maintaining oversight over ILOS Providers and providing training and technical assistance needed to meet the ILOS requirements. As part of the ILOS Implementation Plan, MHPs must submit their policies and procedures related to ILOS Provider monitoring and oversight to MDHHS for approval, including the MHP's process to assess ILOS Provider qualifications.

### ILOS Provider Medicaid Enrollment

All ILOS Providers that render ILOS or bill an MHP for ILOS, including existing MHP Network Providers who will operate as ILOS Providers, are required to enroll as a Michigan Medicaid Provider using the Community Health Automated Medicaid Processing System (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.

If an Intermediary renders ILOS or bills an MHP for ILOS, it is also required to enroll as a Michigan Medicaid Provider in CHAMPS under the "Atypical – Agency" enrollment type, "ILOS – Managed Care only" provider specialty and "Nutrition Focused Services" provider subspecialty.

### *Process for Michigan Medicaid Enrollment*

MHPs must ensure that ILOS Providers enroll through CHAMPS. More information about the enrollment process is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders).

### MHP Oversight of ILOS Providers

MHPs are required to perform oversight of ILOS Providers, holding them accountable to all requirements in the Contract, this Policy Guide, the MHP's ILOS Implementation Plan and any additional guidance issued by MDHHS.

To streamline the ILOS implementation:

- MHPs must hold ILOS Providers responsible for the same ILOS reporting requirements as those that the MHP must report to MDHHS
- The MHPs will not impose mandatory reporting requirements that differ from or are additional to those required per the Contract and this ILOS Policy Guide



- MHPs are encouraged to collaborate with other MHPs offering ILOS within the same Regions on the development of its policies and procedures for oversight of ILOS Providers

## VII. Data Systems & Data Sharing

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Effective ILOS delivery will require frequent and timely data exchange between ILOS Providers and MHPs. For example, MHPs will need to share minimum necessary Enrollee administrative, clinical and social service information with ILOS Providers so that they can deliver authorized ILOS to referred Enrollees; conversely, ILOS Providers will need to share information on the delivery of ILOS with MHPs and other entities (e.g., Enrollee's care manager or Primary Care Provider) to ensure MHPs have the latest information on Enrollee service delivery ("close the loop") and support needs.<sup>21</sup>

For many ILOS Providers, entering into contracting agreements with MHPs to provide ILOS will be the first time they are delivering and billing for individual services provided to Medicaid Enrollees. The following section outlines requirements and guidance related to data systems and private and secure electronic data sharing to ensure that both MHPs and ILOS Providers have the information necessary to facilitate delivery, reporting and monitoring of ILOS.

Please refer to Section V. Payments and Billing for additional requirements and guidance related to encounter, claims and invoicing submissions.

### MHP Data System Guidance

MHPs are required to maintain data systems to support the administration of ILOS. Per Section 1.1.XVI of the Contract, data systems must meet all applicable state and federal guidelines for privacy and security of Enrollee information exchanged for the purposes of treatment, payment and operations.

MHPs shall ensure their data systems have the following capabilities to support the required administrative functions of ILOS:

- Consume, aggregate and integrate claims and encounter data, as well as other data types (refer to Section V. Enrollee Engagement Responsibilities) needed to identify Enrollees for ILOS
- Open, track and manage referrals to ILOS Providers
- Track Enrollee agreement to receive ILOS
- Track Enrollee consent to share data, as required by the Contract
- Securely share data with ILOS Providers allowing them to effectively deliver ILOS

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<sup>21</sup> Minimum necessary information could include but is not limited to Enrollee information, including relevant administrative and demographic information confirming Enrollee's eligibility and authorization for the referred ILOS, and clinical or social need information that may impact the type of food or meal that an Enrollee receives.

- Track referrals to completion and document Enrollee receipt of ILOS
- Receive, process and send encounters and invoices from ILOS Providers to MDHHS in accordance with MDHHS standards
- Receive and process supplemental reports from ILOS Providers
- Send required ILOS reports to MDHHS
- Monitor Grievances and Appeals

### Data Sharing Guidance

To support coordination between MHPs and ILOS Providers and to reduce burden that could result from variation in what and how information is being exchanged, MHPs and ILOS Providers are required to have the following data sharing capabilities to support administration of ILOS while meeting all applicable state and federal guidelines for privacy and security of protected health information exchanged:

1. **Enrollee Information File (EIF).** The MHP shares demographic and ILOS referral information with each contracted ILOS Provider for all Enrollees referred by and/or assigned to their organization.
2. **Return Transmission File (RTF).** The ILOS Providers share timely updates about ILOS delivery and Enrollee information with the MHP.

MHPs and ILOS Providers must share the required sets of “data elements” described below. MHPs and ILOS Providers must have the appropriate legal basis for disclosure and exchange of the required data element as required by federal and state law and the Contract.

MHPs and ILOS Providers are required to adhere to the data sharing guidance below (e.g., file format, transmission method and frequency) to limit the variation in information exchanged and to facilitate timely ILOS referral and delivery.

#### *Secure Management and Exchange of Enrollee-Level Information*

MHPs and ILOS Providers receiving, storing, using, or transmitting personal identifiable information (PII) and protected health information (PHI) must have written policies and procedures for doing so in accordance with federal and state laws, and obligations under the Contract, including but not limited to the Health Insurance Portability and Accountability Act (HIPAA), 42 CFR Part II and the Confidentiality of Medical Information Act (CMIA).

MHPs must provide ILOS Providers with contact information for an individual who can provide timely and responsive technical support to answer questions about these data protection requirements and in the event that standard secure transmission protocols are not available.

### *MHP Data Sharing*

The purpose of the *EIF* is to ensure that MHPs share with ILOS Providers Enrollee-level information for referred Enrollees to support ILOS delivery. By MHPs providing this standardized information, ILOS Providers will be able to track which Enrollees were referred to them and will have access to necessary information to engage and serve those Enrollees.

### *Data Elements*

The *EIF* must contain the data elements outlined in *Table 4*. While some data elements are listed as “Optional,” MHPs are strongly encouraged to share them when they are available to support ILOS Providers in contacting and delivering ILOS to referred Enrollees. MHPs should only share data elements about the Enrollees that were referred by the MHP to the ILOS Provider for a service the ILOS Provider offers.

Data must be reported in the sequence shown in *Table 4* unless otherwise mutually agreed to by the MHP and the ILOS Provider.

MHPs may not exclude ILOS Providers from their networks due to an inability to consume, use, or exchange data elements beyond those described below.

MHPs are strongly encouraged to share data on an Enrollee’s authorization status with contracted ILOS Providers when an ILOS Provider requests an Enrollee for ILOS eligibility assessment. Sharing MHP authorizations will ensure that ILOS Providers have timely information about whether an Enrollee is eligible to receive ILOS without requiring additional follow-up and adding administrative burden.

**Table 4. Enrollee Information File Required Data Elements**

	<b>Data Element</b>	<b>Required</b>
Administrative Information	Enrollee Information File Production Date (MM/DD/YYYY)	Yes
	Enrollee Information File Reporting Period <sup>22</sup>	Yes
	MHP Name	Yes
	MHP Provider Services Phone Number <sup>23</sup>	Yes
	MHP Key Contact Phone Number <sup>24</sup>	Yes, <i>Conditional</i>
	MHP Key Contact Name <sup>25</sup>	Yes, <i>Conditional</i>
	ILOS Provider Name	Yes
	ILOS Provider CHAMPS ID	Yes
	ILOS Provider NPI	<i>Optional</i>

<sup>22</sup> Start and end dates reported as two sets of numbers separated by a period delimiter (i.e., MM/DD/YYYY.MM/DD/YYYY).

<sup>23</sup> Numbers only; no dashes; character of limit of ten. If the phone number is not available to the MHP, MHP may report “0000000000”.

<sup>24</sup> Required if different from MHP Provider Services Phone Number. The purpose of this field is to provide a direct phone number for ILOS Providers to call to troubleshoot issues as needed. Numbers only; no dashes; character limit of ten.

<sup>25</sup> Required if “MHP Key Contact Phone Number” is populated. Last name, first name, title, separated by commas.

	Data Element	Required
Enrollee Information	Medicaid Identification Number	Yes
	Medical Record Number (MRN)	Optional
	Enrollee Last Name	Yes
	Enrollee First Name	Yes
	Enrollee Homelessness Indicator <sup>26</sup>	Optional
	Enrollee Residential Address <sup>27</sup>	Yes
	Enrollee Residential City <sup>28</sup>	Yes
	Enrollee Residential Zip Code <sup>29</sup>	Yes
	Enrollee Mailing Address <sup>30</sup>	Yes
	Enrollee Mailing City <sup>31</sup>	Yes
	Enrollee Mailing Zip Code <sup>32</sup>	Yes
	Enrollee Phone Number <sup>33</sup>	Yes
	Enrollee Email	Optional
	Enrollee Preferred Contact Method <sup>34</sup>	Optional
	Enrollee Date of Birth (MM/DD/YYYY)	Yes
	Enrollee Gender <sup>35</sup>	Yes
	Enrollee Preferred Language (Spoken)	Optional
	Enrollee Preferred Language (Written)	Optional
Enrollee Race <sup>36</sup>	Yes	
Enrollee Ethnicity <sup>37</sup>	Yes	
	Authorization Number	Optional

<sup>26</sup> MHP may complete data element as “Y” if the Enrollee is identified as homeless and “N” if the Enrollee is not identified as homeless by the “Enrollee Homelessness Indicator”.

<sup>27</sup> MHPs may leave blank if the Enrollee is identified as homeless by the “Enrollee Homelessness Indicator” and no other address is available.

<sup>28</sup> MHPs may leave blank if the Enrollee is identified as homeless by the “Enrollee Homelessness Indicator.”

<sup>29</sup> MHPs may leave blank if the Enrollee is identified as homeless by the “Enrollee Homelessness Indicator” and no other zip code is available.

<sup>30</sup> MHPs may leave blank if the Enrollee is identified as homeless by the “Enrollee Homelessness Indicator” and no other address is available.

<sup>31</sup> MHPs may leave blank if the Enrollee is identified as homeless by the “Enrollee Homelessness Indicator.”

<sup>32</sup> MHPs may leave blank if the Enrollee is identified as homeless by the “Enrollee Homelessness Indicator” and no other zip code is available.

<sup>33</sup> Numbers only; no dashes; character of limit of ten. If the phone number is not available to the MHP, MHP may report “0000000000”. MHPs may leave blank if the Enrollee is identified as homeless by the “Enrollee Homelessness Indicator” and a phone number is not available.

<sup>34</sup> One code per Enrollee. Options include: 1. Call; 2. Text; 3. In-Person Outreach; 4. Email; 5. Other or Unknown.

<sup>35</sup> This will be limited to the acceptable values outlined in the 834 Companion Guide.

<sup>36</sup> This will be limited to the acceptable values outlined in the 834 Companion Guide.

<sup>37</sup> This will be limited to the acceptable values outlined in the 834 Companion Guide.

	Data Element	Required
Authorized ILOS Information	ILOS that the Enrollee has been referred for <sup>38</sup>	Yes
	Enrollee Dietary Restrictions or Preferences <sup>39</sup>	Optional
	Date MHP Referred the Enrollee (MM/DD/YYYY)	Yes
	Authorized Service Duration (XXX days)	Yes
	Authorized Service Units <sup>40</sup>	Yes
	Healthy Food Pack Pick-Up/Delivery Indicator <sup>41</sup>	Optional
	Authorization Start Date (MM/DD/YYYY)	Yes
	Authorization End Date (MM/DD/YYYY)	Yes
	Diagnosis Code(s) <sup>42</sup>	Yes
	Urgent Referral Status <sup>43</sup>	Yes

**File Format**

MHPs must send the *EIF* in the format mutually agreed upon with the ILOS Provider (e.g., a web-based form or portal, an Excel workbook). In the case that the MHP and ILOS Provider decide to use Excel as the file format to share data, they are required to use the standard template developed by MDHHS unless there is mutual agreement otherwise, in which case MHPs are encouraged to collaborate with ILOS Providers and other MHPs that offer ILOS in the applicable Region to develop a template to facilitate data exchange.

MDHHS reserves the right to further define and standardize data elements, file formats and transmission methods in the future.

**Transmission Methods**

MHPs must share the *EIF* via a transmission method mutually agreed upon with the ILOS Provider, which includes:

- Secure web-based portal
- Secure File Transfer Protocol (SFTP)
- Secure email

<sup>38</sup> Provide corresponding HCPCS code for the ILOS the Enrollee has been referred for. Services include: S5170.1 – Medically Tailored Home Delivered Meal, S5170 – Healthy Home Delivered Meal, S9977 – Healthy Food Pack, S9977.1 – Produce Prescription.

<sup>39</sup> Enrollee dietary needs (e.g., swallowing difficulties), allergy restrictions and cultural and/or religious preferences, if applicable.

<sup>40</sup> The number of units that the Enrollee is authorized for.

<sup>41</sup> If ILOS the Enrollee has been referred for is S9977 – Healthy Food Pack, indicate whether the Food Pack is 1. Pick-Up or 2. Delivery.

<sup>42</sup> MHPs must communicate relevant Enrollee diagnosis information to ILOS Providers on authorizations to guide service delivery; this information will be used by Providers during invoice submission. Multiple diagnoses may be submitted, separated by a semi-colon.

<sup>43</sup> One code per Enrollee. Options include: 1. Urgent; 2. Not Urgent.

The established transmission method must allow MHPs to easily submit data in batches (i.e., simultaneous submission for multiple Enrollees).

MHPs are encouraged to collaborate with ILOS Providers and other regional MHPs to establish a common transmission method or platform to reduce administrative burden (e.g., Health Information Exchanges, Community Information Exchanges, or referral platforms from other vendors). ILOS Providers may choose to use these platforms by mutual agreement with their contracted MHPs.

#### Transmission Frequency

MHPs are required to share a complete and updated *EIF* with all contracted ILOS Providers containing all new and continuing Enrollee data every two weeks, unless a more frequent cadence for updates is agreed to by the MHP and ILOS Provider. For example, it may be beneficial to exchange data more frequently with ILOS Providers that accept referrals and must deliver services to a large number of MHP Enrollees.

#### File Receipt

MHPs and ILOS Providers are encouraged to find a mutually agreeable process for receiving and acknowledging receipt of the *EIF*.

#### *ILOS Provider Data Sharing*

The purpose of the *RTF* is to ensure that MHPs receive timely and standardized updates on the status of service delivery and Enrollee needs, and meet required MDHHS reporting expectations.

#### Data Elements

The *RTF* must contain the data elements as sequenced and outlined in *Table 5*. ILOS Providers should only share data elements about the ILOS services that they are providing to the Enrollee of the MHP. Data must be reported in the sequence shown in *Table 5* unless otherwise agreed to by both the MHP and the ILOS Provider.

MHPs may not require additional reporting from ILOS Providers that exceeds the data elements described here unless by mutual agreement with the ILOS Provider.

MHPs may not exclude ILOS Providers from their networks due to an inability to consume, use or exchange data elements beyond what is described as required below.

All data elements are defined by MDHHS encounter data reporting standards<sup>44</sup> unless otherwise specified.

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<sup>44</sup> This will be limited to the acceptable values outlined in the 834 Companion Guide.

**Table 5. Return Transmission File Required Data Elements**

	<b>Data Element</b>	<b>Required<sup>45</sup></b>
Administrative Information	Return Transmission File Production Date (MM/DD/YYYY)	Yes
	Return Transmission File Reporting Period <sup>46</sup>	Yes
	ILOS Provider Organization Name	Yes
	ILOS Provider Phone Number <sup>47</sup>	Yes
	ILOS Provider CHAMPS ID	Yes
	ILOS Provider NPI	<i>Optional</i>
	ILOS Provider Key Contact Name	Yes
	MHP Name	Yes
Enrollee Information	Medicaid Identification Number	Yes
	Medical Record Number (MRN)	<i>Optional</i>
	Enrollee Last Name	Yes
	Enrollee First Name	Yes
	Enrollee Date of Birth (MM/DD/YYYY)	Yes
	Enrollee Homelessness Status Change <sup>48</sup>	<i>Optional</i>
	Enrollee New Residential Address <sup>49</sup>	<i>Conditional</i>
	Enrollee New Residential City <sup>50</sup>	<i>Conditional</i>
	Enrollee New Residential Zip Code <sup>51</sup>	<i>Conditional</i>
	Enrollee New Mailing Address <sup>52</sup>	<i>Conditional</i>
	Enrollee New Mailing City <sup>53</sup>	<i>Conditional</i>
	Enrollee New Mailing Zip Code <sup>54</sup>	<i>Conditional</i>
	Enrollee New Phone Number Indicator <sup>55</sup>	<i>Optional</i>

<sup>45</sup> For optional data elements, ILOS Providers are only required to provide the data if it differs from what the ILOS Provider received from the MHP.

<sup>46</sup> Start and end dates reported as two sets of numbers separated by a period delimiter (e.g., MM/DD/YYYY.MM/DD/YYYY).

<sup>47</sup> Number only; no dashes; character limit of 10.

<sup>48</sup> Provide only if there is an update to the existing Enrollee homelessness status. Enter "Y" if Enrollee is identified as homeless; if not or unknown enter "N".

<sup>49</sup> Provide only if there is an update to the existing Enrollee address information. ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Status Change."

<sup>50</sup> Provide only if there is an update to the existing Enrollee address information. ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Status Change."

<sup>51</sup> Provide only if there is an update to the existing Enrollee address information. ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Status Change."

<sup>52</sup> Provide only if there is an update to the existing Enrollee address information. ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Status Change."

<sup>53</sup> Provide only if there is an update to the existing Enrollee address information. ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Status Change."

<sup>54</sup> Provide only if there is an update to the existing Enrollee address information. ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Status Change."

<sup>55</sup> Indicate with: "1" for new phone number; "0" for no change. After engaging with Enrollees, ILOS Providers are expected to document up-to-date phone numbers. MHPs may follow-up with Enrollees to verify.



	Data Element	Required <sup>45</sup>
	Enrollee New Phone Number <sup>56</sup>	<i>Optional</i>
	Enrollee New Email	<i>Optional</i>
	Enrollee New Preferred Contact Method <sup>57</sup>	<i>Optional</i>
	Enrollee New Preferred Language (Spoken)	<i>Optional</i>
	Enrollee New Preferred Language (Written)	<i>Optional</i>
ILOS Information	Authorization Number <sup>58</sup>	<i>Optional</i>
	Current Status of Enrollee Engagement <sup>59</sup>	<i>Yes</i>
	ILOS Initial Enrollee Outreach Date (MM/DD/YYYY) <sup>60</sup>	<i>Yes</i>
	ILOS Delivery Start Date (MM/DD/YYYY) <sup>61</sup>	<i>Yes</i>
	ILOS that the Enrollee is Receiving <sup>62</sup>	<i>Yes</i>
	Total ILOS Units that the Enrollee Received <sup>63</sup>	<i>Yes</i>
	ILOS End Date (MM/DD/YYYY) <sup>64</sup>	<i>Yes</i>
	Discontinuation Reason <sup>65</sup>	<i>Yes, Conditional</i>

### File Format

ILOS Providers must send the *RTF* in the format mutually agreed upon (e.g., using an Excel workbook) with the MHP. In the case that the MHP and ILOS Provider decide to use Excel as the file format to share data, they are required to use the standard template developed by MDHHS unless there is mutual agreement otherwise, in which case MHPs are encouraged to collaborate with ILOS Providers and other MHPs that offer ILOS in the applicable Region to develop a template to facilitate data exchange.

<sup>56</sup> Conditional for the ILOS Provider to include if the New Phone Number Indicator Field is marked. Provide only if there is an update to the existing Enrollee phone number information. Numbers only; no dashes; character limit of ten.

<sup>57</sup> Provide only if there is an update to the existing Enrollee Preferred Contact Method. Options: 1. Call; 2. Text; 3. In-Person Outreach; 4. Email; 5. Unknown.

<sup>58</sup> MHP-generated code that may be used to expedite invoice approval and/or processing. For use by ILOS Providers if mutually agreed upon with MHPs.

<sup>59</sup> One status code per Enrollee. Status codes include 1. Pending Outreach; 2. Currently in Outreach; 3. Currently Delivering Service; 4. Services Temporarily Paused; 5. Services Discontinued.

<sup>60</sup> If initial outreach has not yet occurred, ILOS Provider may populate as 00/00/0000.

<sup>61</sup> If Enrollee has not yet received ILOS services, ILOS Provider may populate as 00/00/0000.

<sup>62</sup> Provide corresponding HCPCS code for the ILOS the Enrollee is receiving. Services include: S5170.1 – Medically Tailored Home Delivered Meal, S5170 – Healthy Home Delivered Meal, S9977 – Healthy Food Pack, S9977.1 – Produce Prescription.

<sup>63</sup> Provide the total ILOS units the Enrollee received during the RTF reporting period. Unit count must align with the HCPCS Service Units outlined in Section VIII of the ILOS Policy Guide.

<sup>64</sup> If Enrollee is still receiving ILOS services, ILOS Provider may populate as 00/00/0000.

<sup>65</sup> Required if selecting “4. Services Discontinued” in the Current Status of Enrollee Engagement field. One reason code per Enrollee. Reason Codes include: 1. Opted out of receiving ILOS; 2. ILOS no longer authorized; 3. Moved; 4. Enrollee deceased; 5. Unable to contact/Lost to follow-up; 6. Unable to engage with Enrollee due to unsafe conditions (e.g., unable to access Enrollee’s home); 7. Lost Medicaid coverage; 8. Changed ILOS Providers; 9. Transitioned to a new plan.; 10. Other.

MDHHS reserves the right to further define and standardize data elements, file formats and transmission methods in the future.

#### Transmission Methods

MHPs can require ILOS Providers to share the *RTF* via a transmission method mutually agreed upon such as through a:

- Web-based portal;
- SFTP upload; or
- Secure email.

The established transmission method must allow ILOS Providers to easily submit data in batches (i.e., simultaneous submission for multiple Enrollees).

ILOS Providers are encouraged to collaborate with contracted MHPs to establish a common transmission method or platform to reduce administrative burden (e.g., via Health Information Exchanges, Community Information Exchanges, or referral platforms from other vendors). ILOS Providers may choose to use these platforms by mutual agreement with their contracted MHPs.

MDHHS reserves the right to further standardize transmission methods in the future.

#### Transmission Frequency

ILOS Providers are required to share a complete and updated *RTF* with MHPs at least monthly, unless a more frequent cadence for updates is established between the MHP and ILOS Provider. For example, it may be beneficial to exchange data more frequently with MHPs with a large number of Enrollees to which the ILOS Provider delivers services.

#### File Receipt

MHPs and ILOS Providers are encouraged to mutually agree on a process for acknowledging receipt of the *RTF*.

## VIII. Payments & Billing

MHPs and ILOS Providers will work together to establish payment structures, service pricing and processes to support the delivery of ILOS. Many ILOS Providers may be unfamiliar with or unable to submit claims and encounters, and MHPs and ILOS Providers are allowed to use invoices to facilitate payment where needed.

Payment arrangements and billing practices between MHPs and ILOS Providers must adhere to the guidance in this section to ensure ILOS Providers are paid in a timely manner, MHPs receive the information they need to generate complete encounters and Enrollees are able to access ILOS.

### Payment Approach

The payment model between MHPs and ILOS Providers will be determined between the two (2) contracting entities, but may include the following types of arrangements:

- **Fee-for-Service Payment:** If the ILOS Provider is paid by the MHP on a fee-for-service (FFS) basis, they will be expected to generate a claim and send it to the MHP for payment processing if possible. If not possible, the ILOS Provider should send an invoice with a minimum set of data elements necessary for the MHP to convert that information into a compliant 837P encounter that the MHP will subsequently submit to MDHHS.
- **Capitated Payment:** If the ILOS Provider is paid by the MHP on a capitated basis, then the ILOS Provider will be expected to generate and submit a compliant encounter to MHPs if possible. If not possible, the ILOS Provider should send a paid invoice with a minimum set of data elements necessary for the MHP to convert that information into a compliant 837P encounter that the plan will subsequently submit to MDHHS.

### Optional ILOS Pricing Guidance

MHPs and ILOS Providers may negotiate pricing for each of the four (4) ILOS. With an Actuary, MDHHS developed Optional ILOS Pricing Guidance for each of the four (4) ILOS; however, use of this pricing guidance is not required. The Optional ILOS Pricing Guidance offers potential rates for each ILOS that MHPs and ILOS Providers may want to consider in developing their contracting agreements. MDHHS encourages MHPs and ILOS Providers to work together to establish appropriate pricing through their contracting agreements.<sup>66</sup>

### Billing and Invoicing Between MHPs and ILOS Providers

ILOS Providers must submit records of services (i.e., claims) to MHPs to be compliant with federal and state payment laws and regulations. MHPs must ensure that contracted

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<sup>66</sup> The Optional ILOS Pricing Guidance is available at:

<https://www.michigan.gov/mdhhs/mihealthylife/michigan-in-lieu-of-services>

ILOS Providers submit claims for all authorized ILOS rendered, and transmit this information as encounters to MDHHS. See Section IX, Monitoring & Reporting, for more information.

ILOS Providers that do not have the capability to submit claims must be allowed to submit standardized invoices to MHPs in accordance with the requirements outlined below.

MDHHS reserves the right to further define and standardize data elements, file formats and transmission methods in the future.

If an ILOS Provider submits an invoice, the MHP must convert that information into a compliant 837P encounter for subsequent submission to MDHHS as part of the regular MDHHS encounter file collection process. The following table outlines the data elements that must be included on invoices in order for the MHP to create a compliant encounter for submission to MDHHS.

*Data Elements*

MHPs will need the information included in *Table 6* from ILOS Providers to submit a complete encounter to MDHHS.

MHPs may not request additional data elements from ILOS Providers beyond what is required in this section, unless mutually agreed to with the ILOS Provider. This applies to both claims and invoices. MHPs may not exclude Providers from their networks due to an inability to consume, use or exchange information beyond what is described in this guidance.

**Table 6. ILOS Batch Invoice Required Data Elements**

	Data Element	Required
Administrative Information	Invoice Date (MM/DD/YYYY)	Yes
	Invoice Number	Yes
	MHP Name	Yes
Provider Information	Billing Provider NPI	<i>Optional</i>
	Billing Provider ID (CHAMPS)	Yes
	Billing Provider Tax Identification Number (TIN)	Yes
	Billing Provider Name <sup>67</sup>	Yes
	Billing Provider Phone Number	Yes
	Billing Provider Address	Yes
	Billing Provider City	Yes
	Billing Provider State	Yes
	Billing Provider Zip Code	Yes
	Rendering Provider NPI	<i>Optional</i>
	Rendering Provider ID (CHAMPS)	Yes

<sup>67</sup> Provider organization name; may be the name of the solo practitioner, if applicable.

	Data Element	Required
	Rendering Provider Tax Identification Number (TIN)	Yes
	Rendering Provider Name <sup>68</sup>	Yes
	Rendering Provider Phone Number	Yes
	Rendering Provider Address	Yes
	Rendering Provider City	Yes
	Rendering Provider State	Yes
	Rendering Provider Zip Code	Yes
Enrollee Information	Invoice Version <sup>69</sup>	Yes
	Medicaid Identification Number	Yes
	Medical Record Number (MRN)	<i>Optional</i>
	Enrollee Last Name	Yes
	Enrollee First Name	Yes
	Enrollee Homelessness Indicator <sup>70</sup>	<i>Optional</i>
	Enrollee Residential Address <sup>71</sup>	Yes
	Enrollee Residential City <sup>72</sup>	Yes
	Enrollee Residential Zip Code <sup>73</sup>	Yes
Enrollee Date of Birth (MM/DD/YYYY)	Yes	
Service and Billing Information	Service <sup>74</sup>	Yes
	Procedure Code(s)	Yes
	Procedure Code Modifier(s)	Yes
	Service Date	Yes
	Service Unit Count(s)	Yes
	Place of Service <sup>75</sup>	Yes
	Diagnosis Code(s) <sup>76</sup>	Yes

<sup>68</sup> Provider organization name; may be the name of the solo practitioner, if applicable.

<sup>69</sup> ILOS Providers may enter "Original" if this is an original invoice for the Enrollee and "Corrected" if this is a resubmission to revise a previous invoice for the Enrollee.

<sup>70</sup> ILOS Providers may complete data element as "Y" if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator" and "N" if the Enrollee is not identified as homeless by the "Enrollee Homelessness Indicator".

<sup>71</sup> ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator."

<sup>72</sup> ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator."

<sup>73</sup> ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator."

<sup>74</sup> Provide corresponding HCPCS code for the ILOS the Enrollee is receiving. Services include: S5170.1 – Medically Tailored Home Delivered Meal, S5170 – Healthy Home Delivered Meal, S9977 – Healthy Food Pack, S9977.1 – Produce Prescription.

<sup>75</sup> Place of Service may be 12 - Patient Home or 99 – Other.

<sup>76</sup> Provide the relevant Enrollee Diagnosis Code(s) provided by the MHP via the EIF. Multiple diagnosis codes should be separated by a semi-colon.

	Data Element	Required
	Service Unit Cost(s) <sup>77</sup>	Yes
	Service Charge Amount(s) <sup>78</sup>	Yes

### *ILOS Procedure Codes*

The following are the MDHHS-established Healthcare Common Procedure Coding System (HCPCS) codes that must be used for documenting the rendering of ILOS in MHP encounters. This coding guidance applies both to (1) claims and invoices ILOS Providers submit to MHPs and (2) encounter data MHPs submit to MDHHS.

- MHPs may not require or allow ILOS Providers to report codes or modifiers for ILOS beyond those listed in *Table 7*. Standard use of these codes is critical as MDHHS uses encounter data to monitor program performance and integrity, and to better understand the health and services needs of CHCP Enrollees.
- MHPs must submit to MDHHS the HCPCS codes and modifiers, where relevant, listed in the table below for all ILOS rendered.

MDHHS expects MHPs to support their ILOS Providers in reporting and translating delivered ILOS to the required HCPCS codes via claims and invoices. While MHPs must use the below HCPCS codes and modifiers for reporting applicable ILOS encounters to MDHHS, MHPs may utilize alternative payment approaches with ILOS Providers. For example, a MHP might opt to pay a provider for Produce Prescriptions as a per Enrollee per month (PEPM) payment; that MHP must still report encounters to MDHHS as a per diem for every service rendered by that provider using MDHHS' established HCPCS codes and modifiers.

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<sup>77</sup> The service unit cost(s) may not be reflective of the amount paid for the service if the services are covered under a capitated or per member per month payment arrangement. MHPs are required to submit cost values to MDHHS in alignment with federal T-MSIS reporting standards.

<sup>78</sup> Service charge amount(s) are the total service-line costs (i.e., Service Unit Count(s) multiplied by the respective Service Unit Cost(s)). The service charge amount may not be reflective of the amount paid for the service if the services are covered under a capitated or per member per month payment arrangement. MHPs are required to submit cost values to MDHHS in alignment with federal T-MSIS reporting standards.

**Table 7. ILOS HCPCS Codes, Modifiers and Service Units**

ILOS	HCPCS Code	Code Description	Modifier	Modifier Description	Service Unit	Other Information
Medically Tailored Home Delivered Meal	S5170	Home-delivered prepared meals, including preparation, per meal	V1	Demonstration modifier	Per meal	Costs of nutrition assessment, meal preparation and delivery are included in the unit cost of each meal.
Healthy Home Delivered Meal	S5170	Home-delivered prepared meals, including preparation, per meal	N/A	N/A	Per meal	Costs of meal preparation and delivery are included in the unit cost of each meal.
Healthy Food Pack	S9977	Meals, per diem, not otherwise specified	N/A	N/A	Per weekly food pack	Costs of delivery are included in the cost of each food pack if appropriate.
Produce Prescription	S9977	Meals, per diem, not otherwise specified	V1	Demonstration modifier	Per weekly voucher	N/A

*Note: The full description of modifier V1 is “Demonstration Modifier 1.” Please note that the description of this modifier will not be updated in CHAMPS to reflect its use for ILOS coding.*

### *Adjudication Process for Invoices and Claims*

MHPs must process invoices and claims and provide feedback to ILOS Providers, including the following:

- Receipt of submission
- Error files with actionable guidance for invoice error resolution, if needed

Where resubmissions are required, MHPs must provide ILOS Providers with clear instructions and training on the processes to do so. MHPs must have rigorous processes in place to ensure the billing information they receive is accurate and complete, and that ILOS Providers are paid in a timely manner.

### *Invoice Format and Transmission*

If an ILOS Provider is unable to submit a claim and must submit an invoice, MHPs must allow ILOS Providers to submit invoices in the format mutually agreed upon with the MHP. In the case that the MHP and ILOS Provider decide to use Excel as the file format to share data, they are required to use the standard ILOS Batch Invoice template developed by MDHHS. If both parties agree to a different format for sharing data, MHPs are encouraged to collaborate with ILOS Providers and other MHPs that offer ILOS in the applicable Region to develop a template to facilitate data exchange.

### *Invoice Transmission Methods*

MHPs must allow ILOS Providers to submit invoices through one (1) of the following methods:

- Web-based portal
- SFTP upload
- Secure email

MHPs must establish invoice transmission methods and processes that allow ILOS Providers to easily submit invoices in batches (i.e., simultaneous submission of multiple invoices for multiple patients). MHPs and ILOS may mutually agree to transmit files via another method.

### **Payments to ILOS Providers**

MHPs must only pay for one (1) ILOS type per Enrollee at a given time.

MHPs must pay for the provision of an ILOS for the duration which the service was authorized.

In the event that an MHP has deauthorized an ILOS prior to the authorization end date, an MHP must:

- Provide to the ILOS Provider prior written notice the service has been deauthorized (refer to Section V. Enrollee Engagement)



- Pay for all services rendered prior to the MHP issuing written notice to the ILOS Provider of the ILOS deauthorization

#### *Timely Payment*

MHPs must make timely payments to all ILOS Providers for authorized ILOS rendered to Enrollees. MHPs must comply with the established MDHHS performance standards for timely payments described in Section 1.1.XIV. F.1.a-d of the Contract. These requirements pertain to both invoices and claims submitted by ILOS Providers.<sup>79</sup>

#### *Payment Dispute Resolution*

In alignment with Section 1.1.XIV.F.5.a-b in the Contract, MHPs must:

- Develop and maintain an effective appeal process to promptly resolve ILOS Provider billing disputes and other issues
- Cooperate with ILOS Providers who have exhausted the MHP's appeal process by entering into arbitration or other alternative dispute resolution process.

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<sup>79</sup> Clean invoice is defined to include all invoices that meet requirements as outlined in this ILOS Policy Guide.

# IX. MHP Monitoring & Reporting

## Scope of MDHHS Monitoring Activities

MDHHS will monitor MHP implementation of and compliance with ILOS requirements across multiple domains including, ILOS Provider network capacity, Enrollee engagement, service provision, Grievances and Appeals and quality.

MDHHS will monitor MHP compliance with ILOS using existing monitoring processes as well as through submission of encounter data and Quarterly Implementation Monitoring Report.

## MHP Monitoring Requirements

MHPs are responsible for regular monitoring their ILOS processes to ensure they are compliant with ILOS requirements in the Contract and this ILOS Policy Guide and continue to benefit Enrollees who are eligible. Importantly, MHPs must monitor the utilization of and/or outcomes resulting from the provision of the ILOS. MHPs must have regular processes (e.g., activities, reports, analyses) in place to understand the impact of ILOS.

Other key monitoring responsibilities referenced throughout this Policy Guide are summarized in the table below.

*Table 8. MHP Monitoring Requirements*

<b>Topic</b>	<b>Relevant Policy Monitoring Requirements</b>
<b>Provider Network Capacity</b>	Refer to Section IV. MHP ILOS Administration, ILOS Provider Network Development and Maintenance.
<b>ILOS Authorization, Medical Appropriateness</b>	Refer to Section V. Enrollee Engagement Responsibilities, Authorizing ILOS for Eligible Enrollees
<b>ILOS Referrals</b>	Refer to Section V. Enrollee Engagement Responsibilities, Referring Enrollees to ILOS & Tracking Referral Outcomes
<b>Grievances &amp; Appeals</b>	Refer to Section V. Enrollee Engagement Responsibilities, Grievances and Appeals
<b>ILOS Expenditures</b>	Refer to Section IX. MHP Monitoring & Reporting, MHP Reporting for more information.

## MHP Reporting

### *Encounter Data Submission Process*

MDHHS requires MHPs to submit timely, complete and accurate encounter data in accordance with requirements described in Sections 1.1.XV.C and 3.2.II.D-F of the

Contract. These requirements extend to encounter data for ILOS, which will be submitted through existing encounter data reporting mechanisms using the 837 Format. MHPs must use the code and modifier combinations described in Section VIII. Billing & Payments to identify rendered ILOS in encounters.

*Grievances and Appeals*

MHPs must also report Grievances and Appeals records, including Grievances and Appeals related to ILOS. Grievances and Appeals related to ILOS should be reported via the Quarterly Implementation Monitoring Report (QIMR).

*Quarterly Implementation Monitoring Report*

To support monitoring of early ILOS implementation, MHPs will be required to submit a QIMR to track issues such as ILOS service provision, ILOS denials and ILOS Provider capacity. MHPs must complete the QIMR using the template provided by MDHHS and submit it according to the following timeframes.

**Table 9. ILOS QIMR Submission Timeline**

<b>Quarter</b>	<b>Reporting Period</b>	<b>Report Due Date</b>
ILOS Quarter 1 Implementation Monitoring Report	10/1 – 12/31	3/1
ILOS Quarter 2 Implementation Monitoring Report	1/1 – 3/31	6/1
ILOS Quarter 3 Implementation Monitoring Report	4/1 – 6/30	9/1
ILOS Quarter 4 Implementation Monitoring Report	7/1 – 9/30	12/1

# Appendix

## Change Log

Version	Date Published	Description of Change
1.0	September 24, 2024	<ul style="list-style-type: none"> <li>• NA</li> </ul>
2.0	October 28, 2024	<ul style="list-style-type: none"> <li>• Edit to Section II. Service Definitions, Medically Tailored Home Delivered Meal, Eligible Enrollees (pg. 6)</li> <li>• Added Appendix, Change Log</li> </ul>
3.0	March 19, 2025	<p>Major edits include:</p> <ul style="list-style-type: none"> <li>• Edits to Section II. Service Definitions to streamline Service Limitations for all four ILOS (pg. 6-7, 9-10, 12 and 14-15).</li> <li>• Edits to definition of locally-based ILOS Provider (pg. 21).</li> <li>• Edits to calculation methodology to determine percentage of services delivered by locally-based ILOS Providers (pg. 21-24).</li> <li>• Edits to Section IV. MHP ILOS Administration, Delegation of ILOS Administration to an Intermediary to define and describe potential roles for Intermediaries (pg. 25).</li> <li>• Edits to Section VII. Data Systems &amp; Data Sharing to clarify and standardize file names and expected field values (pg. 34-42) and to require use of standard MDHHS templates in the case that the MHP and ILOS Provider decide to use Excel as the file format to share data (pg. 38 and 41).</li> <li>• Edits to Section VIII. Payments &amp; Billing to require use of the standard MDHHS template in the case that the MHP and ILOS Provider decide to use Excel as the file format to submit invoices (pg. 48).</li> <li>• Edits to reflect that ILOS-specific Grievances and Appeals will be reported via the QIMR (pg. 51).</li> </ul>