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

Michigan Department of Health and Human Services

Draft: July 2024

1

Table of Contents

Table of Contents 2
I. Introduction to In Lieu of Services 3
Overview of ILOS 3
II. Service Definitions 4
Medically Tailored Home Delivered Meal 4
Healthy Home Delivered Meal 6
Healthy Food Pack 9
Produce Prescription 12
III. ILOS to State Plan Service Crosswalk 15
IV. MHP ILOS Administration 16
Offering ILOS 16
ILOS Implementation Plan 18
ILOS Provider Network Development and Maintenance 19
V. Enrollee Engagement Responsibilities 21
Identifying Enrollees for ILOS 21
Authorizing ILOS for Eligible Enrollees 22
Referring Enrollees to ILOS & Tracking Referral Outcomes 23
Deauthorizing ILOS 24
Grievances & Appeals 24
Website Requirements 25
VI. ILOS Provider Policy 26
ILOS Provider Medicaid Enrollment 26
MHP Oversight of ILOS Providers 26
VII. Data Systems & Data Sharing 28
MHP Data System Guidance 28
Data Sharing Guidance 29
VIII. Payments & Billing 35
Payment Approach 35
Non-Binding ILOS Pricing Guidance 35
Billing and Invoicing Between MHPs and ILOS Providers 35
Timely Payment of ILOS Providers 39
IX. MHP Monitoring & Reporting 40
Scope of MDHHS Monitoring Activities 40
MHP Monitoring Requirements 40
MHP Reporting 40

I. Introduction to In Lieu of Services

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 is introducing ILOS which will allow MHPs to pay for services provided in the community that address eligible Enrollees' health-related social needs. ILOS must be at the option of the MHP and the Enrollee.[1] MHPs that elect to offer ILOS are responsible for administering them and must adhere to the requirements in the CHCP contract ("Contract") and laid out in this ILOS Policy Guide.

Overview of ILOS

ILOS are medically appropriate and cost-effective services provided by MHPs as substitutes to other covered services and settings required by the Michigan Medicaid State Plan pursuant to 42 CFR section 438.3(e)(2). MDHHS is designating the set of federally-approved ILOS that are medically appropriate and cost-effective substitutes for covered services or settings under the Michigan Medicaid State Plan. MHPs may provide one or more of the approved ILOS. MDHHS will conduct 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.

Per 42 CFR 438.3 (e) (2)., ILOS must be offered at the option of 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, received ILOS previously or is receiving ILOS currently.

MHPs will be encouraged to offer one or more of the following ILOS beginning with the 2025 CHCP contract year (pending CMS approval). These ILOS are further defined in this ILOS Policy Guide (refer to Section II. Service Definitions).

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

[1] 42 CFR 438.3(e)(2).

II. Service Definitions

MDHHS is introducing four nutrition-focused ILOS during the 2025 CHCP contract year. Evidence indicates that nutrition-focused services are associated with improved health outcomes and decreased utilization of health care services. 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.

Each of the four federally-approved ILOS is described in detail below. MHPs 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 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.[2]

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

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

[2] More about the Food is Medicine program and nutrition guidelines can be found here.

Eligible Enrollees

Enrollees will be eligible for services if they meet the clinical risk factor and the social risk factor. 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.

Allowable 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[3] and participate in the local Michigan food economy.

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. Providers must be able to make accommodations for individuals with disabilities, individuals with limited English proficiency and individuals with low health literacy.

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

- Have the capacity to provide two meals per day for at least a sum total of 5 days per week (can be delivered daily, weekly or biweekly)
- Operate according to the Michigan Food Code
- Deliver food at safe temperatures
- Document meals served

[3] Please refer to Section IV. MHP ILOS Administration for additional information on locally-based ILOS Providers.

- 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

Service Limitations

Enrollees must receive less than 3 meals per day.

Eligible Enrollees must not have current capacity to shop and cook for themselves or must not have adequate social support to meet these needs.

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:

- Be enrolled in SNAP and/or WIC, or
- Be in the process of submitting a SNAP and/or WIC application, or
- Have been determined ineligible for SNAP and/or WIC within the past 12 months.

The Enrollee cannot be currently receiving duplicative support through other federal, state, or locally-funded programs.

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

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 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, 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 2 meals per day (or 14 meals per week) for up to 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 of the clinical risk factors and the social risk factor. 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 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 <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[4], 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.

Allowable Providers

Providers must have experience and expertise with providing these, or similar, services. MDHHS has a strong preference for ILOS Providers to be locally-based and participate in the Michigan local food economy.

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. 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 two meals per day for at least a sum total of 5 days per week (can be delivered daily, weekly or biweekly)

- 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

[4] 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.

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

Service Limitations

Enrollees must receive less than 3 meals per day.

Eligible Enrollees must not have current capacity to shop and cook for themselves or must not have adequate social support to meet these needs.

If potentially eligible for SNAP and/or WIC, the Enrollee must either:

- Be enrolled in SNAP and/or WIC, or
- Be in the process of submitting a SNAP and/or WIC application, or
- Have been determined ineligible for SNAP and/or WIC within the past 12 months.

Enrollee cannot be currently receiving duplicative support through other federal, state, or locally-funded programs.

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

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 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 of the clinical risk factors and the social risk factor. 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 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 <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 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.

Allowable Providers

Providers must have experience and expertise with providing these, or similar, services. MDHHS has a strong preference for ILOS Providers to be locally-based and participate in the local Michigan food economy.

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. Providers must be able to make accommodations for individuals with disabilities, individuals with limited English proficiency and individuals with low health literacy.

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

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

Providers could include, but are not limited to:

- Non-profit and community-based organizations focused on services such as health, food access, education, or other publicly beneficial actions
- Social-service agencies or community-based organizations serving seniors, families, or underserved populations
- Local health departments and other city, state, and local government agencies
- Tribes
- Colleges and Universities
- Business leagues or local Chambers of Commerce

Service Limitations

The value of the food must be equivalent to less than 3 meals per day.

If being delivered, the Enrollee does not have current capacity to shop for themself or is unable to get to a food distribution site.

If potentially eligible for SNAP and/or WIC, the Enrollee must either:

- Be enrolled in SNAP and/or WIC, or
- Be in the process of submitting a SNAP and/or WIC application, or

- Have been determined ineligible for SNAP and/or WIC within the past 12 months.

The Enrollee cannot be currently receiving duplicative support through other federal, state, or locally-funded programs.

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

Produce Prescription

Service Description

A voucher offered by a provider for the Enrollee to purchase any variety of fruits and vegetables or plants/seeds that produce fruits and vegetables from a participating food retailer (the provider and food retailer may be the same entity but is not always). 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 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

One Produce Prescription per Enrollee for up to 6 months, or longer if determined to be medically necessary. Each Produce Prescription voucher will have a duration as defined by the provider offering it. For example, some providers may offer monthly vouchers while others may offer weekly vouchers.

Setting

Enrollees redeem vouchers at participating community food retailers. It is strongly encouraged that produce prescriptions are redeemed at community food retailers that participate in Michigan's local and regional food system.

Eligible Enrollees

Enrollees will be eligible for services if they meet at least one of the clinical risk factors and the social risk factor. 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 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 <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 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

Allowable Providers

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

in the local Michigan food economy. Providers must also be able to make accommodations for individuals with disabilities, individuals with limited English proficiency and individuals with low health literacy.

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

MHP contracts may include, but are not limited to, the following types of providers to provide produce prescriptions:

- Non-profit and community-based organizations focused on services such as health, food access, education, or other publicly beneficial actions
- Social-service agencies or community-based organizations serving seniors, families, or underserved populations
- Local health departments and other city, state, and local government agencies
- Tribes
- Colleges and Universities
- Business leagues or local Chambers of Commerce

Service Limitations

The value of the voucher must be equivalent to less than 3 meals per day.

If potentially eligible for SNAP and/or WIC, the Enrollee must either:

- Be enrolled in SNAP and/or WIC, or
- Be in the process of submitting a SNAP and/or WIC application, or
- Have been determined ineligible for SNAP and/or WIC within the past 12 months.

Enrollee cannot be currently receiving duplicative support through other federal, state, or locally-funded programs.

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

III. ILOS to State Plan Service Crosswalk

The chart below summarizes potential 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. Additional detail on the cost-effectiveness and medical appropriateness of each service or setting is available in the ILOS Evidence Library.

ILOS	Potential State Plan Service or Setting Substitute
Nutrition ILOS	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

IV. MHP ILOS Administration

ILOS can be an important resource 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:

- Offer and termination of ILOS
- Development of an ILOS Implementation Plan describing how the MHP will administer its ILOS
- Development and maintenance of an ILOS Provider Network.

Offering ILOS

MDHHS strongly encourages all MHPs to begin offering ILOS beginning on January 1, 2025. An MHP may elect to offer one or more of these approved ILOS and may choose which of its Region(s) to offer the ILOS. The MHP may choose to offer different ILOS in different Regions. It must, however, make the ILOS available for all 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 is defined in the ILOS definition (refer to Section II. Service Definitions)

- 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).

Offering, Adding & Discontinuing ILOS

In contract year 2025, MHPs may begin offering ILOS at any point during that first year. MHPs may add ILOS every three (3) months from their last ILOS offering – for example:

- An MHP that elects to offer one or more of the approved ILOS types on January 1, 2025 can add additional ILOS type(s) on April 1, 2025.

- An MHP that elects to offer one or more of the approved ILOS types on February 1, 2025 can add additional ILOS type(s) on May 1, 2025.

For contract year 2025 only, MDHHS will make exceptions to add additional ILOS types sooner than three (3) months in specific instances. MHPs should notify MDHHS of any request to add ILOS types sooner than three (3) months so MDHHS can determine if it will grant an exception.

In subsequent contract years, 2026 and beyond, MHPs may elect to offer ILOS or add ILOS only at three (3) month intervals beginning at the start of the contract year – for example:

- An MHP that offered ILOS beginning in contract year 2025 can add additional ILOS type(s) on October 1, 2025, January 1, 2026, April 1, 2026 or July 1, 2026.
- An MHP that did not offer ILOS in contract year 2025 but elects to offer one of the approved ILOS types in contract year 2026 may begin offering it on October 1, 2025. It can add additional ILOS type(s) on , January 1, 2026, April 1, 2026 or July 1, 2026.
- An MHP that did not offer ILOS in contract year 2025 or on October 1, 2025 can elect to offer ILOS beginning January 1, 2026, April 1, 2026 or July 1, 2026.

Discontinuing ILOS

MHPs may terminate a previously offered ILOS upon written notice to MDHHS. MHPs are allowed to terminate ILOS once annually at the end of the contract year. MDHHS will grant exceptions only in cases where continuing to offer an ILOS poses Enrollee safety or health concerns.

MHPs are permitted to terminate certain ILOS and not others (e.g., an MHP may opt to terminate offering healthy food packs but continue offering produce prescriptions).Whether an MHP terminates one or several ILOS, they must:

- Notify MDHHS in writing of the intent to discontinue offering ILOS ninety (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 notify publicize the service end date, and plans for continuity of care for Enrollees receiving that service.
- Publicize the service end date and provide at least 30 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).

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[5].

[5] 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).

MDHHS reminds MHPs that any value-added services provided to an enrollee must not be included in encounter submissions.

ILOS Implementation Plan

MHPs must develop an ILOS Implementation Plan for providing 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 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
    - 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

At least 60 days in advance of the implementation of a new ILOS, MHPs must submit for MDHHS approval their ILOS Implementation Plan using a template developed by MDHHS. 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, or changes to the MHP's policies and procedures that impact how ILOS are administered and delivered to Enrollees or its agreements with ILOS Providers.

MDHHS will use each MHP's ILOS Implementation Plan submission 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 that the MHP has a 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.

ILOS Provider Agreements

MHPs must enter into contracting agreements with ILOS Providers to deliver ILOS. MHPs must incorporate all requirements, policies and procedures described in its ILOS Implementation Plan in its ILOS Provider contracting agreements, as appropriate. MDHHS is developing a set of ILOS Standard Contract Terms and Conditions to support MHP and ILOS Providers in developing their contracting agreements. MHPs and ILOS Providers are not obligated to use the MDHHS-developed ILOS Standard Contract Terms and Conditions.[6]

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).

MDHHS has a strong preference for ILOS Providers to be locally-based[7,8]. However, MDHHS recognizes that locally-based ILOS Providers may need to develop infrastructure, capacity and experience to deliver ILOS. In contract year 2025, MDHHS is requiring at least 30% of ILOS be provided by locally-based ILOS Providers. When determining the percentage, MDHHS will consider the volume of services provided by locally-based ILOS providers out of the total volume of services provided by all ILOS Providers in each Region. MHPs must meet the minimum percentage by region. The minimum percentage of ILOS provided by locally-based ILOS Providers will increase further in contract year 2026 and beyond.

---

[6] The MDHHS-developed ILOS Standard Contract Terms and Conditions will be linked when available.

[7] To be a locally-based ILOS Provider, an organization must be a community-based organization, have a physical presence in Michigan, defined as having one or more office locations in Michigan - preferably in the Region(s) the ILOS is being provided, and participate in the Michigan food economy.

[8] Please refer to the definition for Community-based Organization (CBO) in the Contract. MDHHS expects that the majority of ILOS Providers will be non-clinical CBOs.

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

- Region
- ILOS type for which an exception is requested
- Locally-based contracted ILOS Provider Capacity for the specific ILOS in the Region
- Explanation of why an exception is needed

ILOS Provider Network Capacity

MHPs' ILOS Provider networks must have sufficient numbers, mix and geographic locations, including in counties contiguous to the MHPs service area, 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 its ILOS Provider Network can deliver services to all eligible Enrollees within the MHP service area, 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 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

MHPs are permitted to enter into contracting agreements with other Michigan-based entities to administer ILOS. For example, an MHP could contract with an entity to develop and maintain a network of ILOS Providers and pay ILOS claims (or invoices). The MHP must maintain and is responsible for compliance and oversight of the entity, 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

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 strongly 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 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, 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 and dental 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, 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 ILOS and subsequent authorization. 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 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. 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.

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

The process for determining medical appropriateness must require documentation that ILOS is medically appropriate for the Enrollee and is likely to reduce or prevent the need for State Plan covered services based on the professional judgement of licensed clinical staff at the MHP or a Provider in the Provider Network.

This process may be incorporated into the MHP's utilization management process or may include provider-level documentation in an individual'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 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, 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.

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. To the extent possible, the MHP should authorize the service with the same ILOS Provider already providing the ILOS to the 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

The MHP is also encouraged to consider a contracting arrangement for the ILOS Provider(s) the new Enrollee is receiving ILOS from (if the ILOS Provider is not currently contracted with the MHP).

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 discontinue 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 discontinue utilization of ILOS
- How the MHP will notify the Enrollee's Care Manager if the Enrollee is in Care Management
- How the MHP will notify the ILOS Provider that ILOS will be discontinued

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 or more ILOS offered by the MHP but were not authorized to receive the requested ILOS because of a determination that it was not medically appropriate. 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 its 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:
    - Provider/ Organization Name
    - Address
    - Telephone Number
    - Website URL (as applicable)
    - Cultural and linguistic capabilities (including American Sign Language)
    - Whether the provider's office/location accommodates persons with physical disabilities
    - Office hours
    - Languages spoken other than English

VI. ILOS Provider Policy

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 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.

ILOS Provider Medicaid Enrollment

In accordance with the Contract, MHP Network Providers, including those who will operate as ILOS Providers, are required to enroll as a Michigan Medicaid Provider using the appropriate enrollment application. For example, if a federally qualified health center (FQHC) is contracted to provide ILOS, they would be required to enroll as a Medicaid provider (the same as they would enroll normally to provide medical services). However, many ILOS Providers (e.g., Medically Tailored Home Delivered Meal providers, Healthy Food Pack providers) must enroll as atypical providers (atypical providers are providers that do not provide medical services) using the new, "ILOS Atypical Agency" provider specialty created by MDHHS. Additional subspecialties will be created under the ILOS Atypical Agency provider specialty to further indicate the type of organization enrolling to provide ILOS.

Process for Michigan Medicaid Enrollment

MHPs must ensure that ILOS Providers enroll through CHAMPS.

Providers must meet any applicable Michigan Medicaid credentialing requirements and provide all necessary information as required by the appropriate enrollment application. More information about the enrollment process will be available 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, 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 within the same county on oversight of ILOS Providers

VII. Data Systems & Data Sharing

Effective ILOS delivery will require frequent and robust data exchange between ILOS Providers and MHPs. For example, MHPs will need to share minimum necessary administrative, clinical and social service information so that ILOS Providers can deliver ILOS to referred Enrollees, and ILOS Providers will need to share information on delivery of ILOS with MHPs and or other entities (e.g., Enrollee's Care Manager or Primary Care Provider) to close the loop on service referrals.[9]

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 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. MHPs must also provide ILOS Providers access to systems necessary to effectively deliver referred ILOS.

MHPs are encouraged to ensure their data systems have the following capabilities in order to support the administration of ILOS.

- Consume and use 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 and consent to share data, when required
- Track referrals to completion and document Enrollee receipt of ILOS
- Securely share data with ILOS Providers allowing them to deliver ILOS

[9] 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.

- 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 ILOS supplemental reports to MDHHS
- Monitor grievances and appeals

Data Sharing Guidance

MHPs are required to have data sharing capabilities to support administration of ILOS. MHPs must also provide ILOS Providers access to information necessary to effectively deliver referred ILOS.[10]

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, MDHHS developed the following data sharing guidance for MHPs and ILOS Providers.

MHPs and ILOS Providers must share the required "data elements" described below. As required by federal and state law, Enrollee consent to share information must be appropriately collected and documented.

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

Secure Transmission of Enrollee-Level Information

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

MHPs must have alternative, legally compliant submission processes in place for when standard secure transmission protocols are not available and must provide ILOS Providers with contact information for an MHP point of contact who can provide timely and responsive technical support.

[10] When sharing physical, behavioral, social, and administrative data with ILOS Providers and MDHHS, MHPs must use defined federal and State standards, specifications, code sets, and terminologies.

MHP Data Sharing

The purpose of this data sharing guidance is to ensure that MHPs share with ILOS Providers Enrollee-level information for all Enrollees referred to the ILOS Provider to receive ILOS. By MHPs providing standardized, aggregated Enrollee-level information, ILOS Providers will be able to track which Enrollees were referred to them for services and have access to necessary information to engage and serve those Enrollees.

Data Elements

MHPs are required to share the following data elements with ILOS Providers. Some data elements are listed as "Optional," but MHPs are strongly encouraged to share these data when they are present to support ILOS Providers in contacting and delivering ILOS to Enrollees who are referred by the MHP to the ILOS Provider. 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. MHPs may not require additional reporting from ILOS Providers that exceeds the data elements described here unless agreed to with the ILOS Provider.

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

While not required, MHPs are strongly encouraged to share data on an Enrollee's authorization status with contracted ILOS Providers when the ILOS Provider requested the MHP assess the Enrollee for ILOS eligibility. This can help ensure that ILOS Providers receive timely information about whether an Enrollee is eligible to receive ILOS so that it does not have to continue following up with the MHP.

Table 1. **Data elements MHPs are required to share with ILOS Providers**

	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[11]	*Optional*
	Enrollee Residential Address[12]	*Yes*
	Enrollee Residential City[13]	*Yes*
	Enrollee Residential Zip Code[14]	*Yes*

[11] MHP may complete data element as "HOMELESS" if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator."

[12] MHPs may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator" and no other address is available.

[13] MHPs may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator."

[14] MHPs may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator" and no other zip code is available.

	Enrollee Mailing Address[15]	*Yes*
	Enrollee Mailing City[16]	*Yes*
	Enrollee Mailing Zip Code[17]	*Yes*
	Enrollee Phone Number[18]	*Yes*
	Enrollee Email	*Optional*
	Preferred Enrollee Contact Method	*Optional*
	Enrollee Date of Birth (MM/DD/YYYY)	*Yes*
	Enrollee Gender	*Yes*
	Enrollee Preferred Language (Spoken)	*Optional*
	Enrollee Preferred Language (Written)	*Optional*
	Enrollee Race or Ethnicity	*Yes*
Authorized ILOS Information	ILOS service that the Enrollee has been referred for	*Yes*
	Date MHP Referred the Enrollee (MM/DD/YYYY)	*Yes*
	Authorized Service Duration (XX days)	*Yes*
	Authorization Start Date (MM/DD/YYYY)	*Yes*
	Authorization End Date (MM/DD/YYYY)	*Yes*

File Format

MHPs must provide complete data in the format mutually agreed upon with the ILOS Provider; for example, a web-based form or portal, or an Excel workbook. 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 standardize file format in the future.

Transmission Methods

MHPs must share data elements via transmission methods mutually agreed upon with the ILOS Provider. The established transition method must allow ILOS Providers to easily submit data in batches (i.e., simultaneous submission for multiple Enrollees):

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

MHPs are encouraged to collaborate with ILOS Providers and other MHPs that offer ILOS in the applicable Region to establish a common transmission method or platform

[15] MHPs may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator" and no other address is available.
[16] MHPs may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator."
[17] MHPs may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator" and no other zip code is available.
[18] MHPs may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator" and a phone number is not available.

to reduce administrative burden. For example, via Health Information Exchanges, Community Information Exchanges, or referral platforms from other vendors. However, ILOS Providers that do not use or opt into these platforms cannot be required to in order to send and receive ILOS data to an MHP.

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

Transmission Frequency

MHPs are encouraged to share complete and updated data with all contracted ILOS Providers containing all new and continuing Enrollee data at least bi-weekly. However, MHPs and ILOS Providers should mutually agree on the appropriate cadence necessary to facilitate the delivery of ILOS. 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 mutually agree on a process for acknowledging receipt of data.

ILOS Provider Data Sharing

The purpose of data sharing is to ensure that ILOS Providers share with MHPs timely updates on the status of service delivery. By ILOS Providers providing standardized, aggregated Enrollee-level information, MHPs will be able to track the status of referrals and service delivery and meet required reporting expectations set forth by MDHHS.

Data Elements

ILOS Providers are required to share the following data elements. ILOS Providers should only share data elements about the ILOS services that they are providing to the Enrollee of the MHP. MHPs may not require additional reporting from ILOS Providers that exceeds the data elements described here unless also agreed to by 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.

Table 2. **Data Elements ILOS Providers are required to share with MHPs**

	Data Element	Required[19]
Enrollee Information	Medicaid Identification Number	*Yes*
	Medical Record Number (MRN)	*Optional*
	Enrollee Last Name	*Yes*
	Enrollee First Name	*Yes*
	New Enrollee Homelessness Indicator	*Optional*
	Enrollee New Residential Address	*Optional*
	Enrollee New Residential City	*Optional*

[19] 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.

	Enrollee New Residential Zip Code	*Optional*
	Enrollee New Phone Number	*Optional*
	Enrollee New Preferred Language (Spoken)	*Optional*
	Enrollee New Preferred Language (Written)	*Optional*
	New Preferred Enrollee Contact Method	*Optional*
	Enrollee Date of Birth (MM/DD/YYYY)	*Yes*
ILOS Information	ILOS that the Enrollee is Receiving	*Yes*
	ILOS Delivery Start Date (MM/DD/YYYY)	*Yes*
	Current Status of Enrollee Engagement[20]	*Yes*
	Discontinuation Reason	*Yes, Conditional*
	ILOS End Date (MM/DD/YYYY)	*Yes*

File Format

MHPs can require an ILOS Provider to report complete data in the format mutually agreed upon. For example, using an Excel workbook.

MDHHS reserves the right to further standardize file formats in the future.

Transmission Methods

MHPs can require ILOS Providers to share data elements via transmission methods mutually agreed upon. For example, through one of the following methods:

- Web-based portal
- SFTP upload
- Secure email

ILOS Providers are encouraged to collaborate with MHPs that offer ILOS in the applicable Region to establish a common transmission method or platform to reduce administrative burden. For example, via Health Information Exchanges, Community Information Exchanges, or referral platforms from other vendors. However, ILOS Providers that do not use or opt into these platforms cannot be required to in order to send and receive ILOS data to an MHP.

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

Transmission Frequency

ILOS Providers are encouraged to share complete and updated data with MHPs at least monthly. However, MHPs and ILOS Providers should mutually agree on the appropriate cadence necessary to facilitate the delivery and tracking of ILOS. 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.

[20] For example, standard responses could include but are not limited to 1. Pending Outreach; 2. Currently in Outreach; 3. Currently Delivering Service; 4. Services Discontinued.

File Receipt

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

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 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.

Non-Binding ILOS Pricing Guidance

MHPs and ILOS Providers may negotiate pricing for each of the four (4) ILOS. With an Actuary, MDHHS will prepare ILOS Pricing Guidance for each of the four (4) ILOS; however, use of this pricing guidance is non-binding and not required. The ILOS Pricing Guidance will offer *potential* rates for each ILOS that MHPs and ILOS Providers may want to consider. MDHHS encourages MHPs and ILOS Providers to work together to establish appropriate pricing through their contracting agreements.

Methodology for Developing Pricing Guidance (To be added)

Billing and Invoicing Between MHPs and ILOS Providers

ILOS Providers must submit claims to MHPs to the greatest extent possible. MHPs must ensure that contracted 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 will be allowed to submit invoices to MHPs with the minimum set of data elements defined in this guidance. 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.

Minimum Necessary Data Elements

MHPs will need the information included in Table 1. Required Data Elements for Invoices 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 1. **Required Data Elements for Invoices**

	Data Element
Provider Information	Billing Provider National Provider Identifier (NPI) (as applicable)
	Billing Provider Tax Identification Number (TIN)
	Billing Provider Identification (as applicable)
	Billing Provider Name[21]
	Billing Provider Phone Number
	Billing Provider Address
	Billing Provider City
	Billing Provider State
	Billing Provider Zip Code
Enrollee Information	Medicaid Identification Number
	Medical Record Number (MRN)
	Enrollee First Name
	Enrollee Last Name
	Enrollee Homelessness Indicator
	Enrollee Residential Address[22]
	Enrollee Residential City[23]

[21] Provider organization name; may be the name of the solo practitioner, if applicable.

[22] ILOS Providers may complete data element as “HOMELESS” if the Enrollee is identified as homeless by the “Enrollee Homelessness Indicator.”

[23] ILOS Providers may leave blank if the Enrollee is identified as homeless by the “Enrollee Homelessness Indicator.”

	Enrollee Residential Zip Code[24]
	Enrollee Date of Birth (MM/DD/YYYY)
Service and Billing Information	Primary Payer Identifier
	Payer Name
	Procedure Code(s)
	Procedure Code Modifier(s)
	Service Start Date
	Service End Date
	Service Name
	Service Unit Count(s)
	Place of Service
	Service Unit Cost(s)[25]
	Service Charge Amount(s)[26]
Administrative Information	Invoice Date (MM/DD/YYYY)
	Invoice Number

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 their ILOS Providers to report codes or modifiers for ILOS beyond those listed in Table 5, even if the MHPs and ILOS Provider mutually agree to the additional codes/modifiers. 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 their delivered ILOS to these 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

[24] ILOS Providers may leave blank if the Enrollee is identified as homeless by the "Enrollee Homelessness Indicator."

[25] 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.

[26] 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.

providers. For example, an 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.

Table 5. **HCPCS Codes and Modifiers for ILOS**

ILOS	HCPCS Code	Code Description	Modifier	Modifier Description
Medically Tailored Home Delivered Meal	S5170	Home-delivered prepared meals, including preparation and any required assessments, per meal	V1	Demonstration modifier
Healthy Home Delivered Meal	S5170	Home-delivered prepared meals, including preparation, per meal	N/A	N/A
Healthy Food Pack	S9977	Meals, per diem, not otherwise specified	N/A	N/A
Produce Prescription	S9977	Meals, per diem, not otherwise specified	V1	Demonstration modifier

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 adhere to the following guidance.

Invoice File Format

MHPs must allow ILOS Providers to submit invoices as an Excel-based workbook, web-based form or via a portal (e.g., provider payment portal) using an MHP-provided template. MHPs and ILOS Providers may mutually agree to complete and submit files in another format (e.g., standard CSV files).

MHP invoice templates must:

- Be user-friendly, including:
    - Clear instructions for submission
    - “Locked” fields to minimize submission errors, including drop-down selection options
    - Data fields that auto-populate based on previous data element submissions, where feasible
    - Automatic error checks prior to submission
- Request data in the same sequence and using the same language as presented in “(2) Data Elements.”

Invoice Transmission Methods

MHPs must allow ILOS Providers to submit invoices through one 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.

Timely Payment of ILOS Providers

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.

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 of their process for offering ILOS to ensure that it is 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, or analysis) in place to understand the impact of ILOS.

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

Table 1. **MHP Monitoring Requirements**

Topic	Relevant Policy Monitoring Requirements
Provider Network Capacity	Refer to Section IV. MHP ILOS Administration, ILOS Provider Network Development and Maintenance.
ILOS Authorization, Medical Appropriateness	Refer to Section V. Enrollee Engagement Responsibilities, Authorizing ILOS for Eligible Enrollees
ILOS Referrals	Refer to Section V. Enrollee Engagement Responsibilities, Referring Enrollees to ILOS & Tracking Referral Outcomes
Grievances & Appeals	Refer to Section V. Enrollee Engagement Responsibilities, Grievances and Appeals
ILOS Expenditures	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, to MDHHS consistent with the timeframe listed in the Contract.

Quarterly Implementation Monitoring Report

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

Quarter	Reporting Period	Report Due Date
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