



SECTION 1 – GENERAL INFORMATION

This chapter applies to Mental Health providers (Provider Types 77, 21). Information contained in this chapter is to be used in conjunction with other chapters of this manual including the Billing & Reimbursement chapters and the Practitioner Chapter, as well as the related procedure code databases located on the Michigan Department of Community Health (MDCH) website. (Refer to the Directory Appendix for website information).

1.1 MDCH APPROVAL

Pursuant to Michigan's Medicaid State Plan and federally approved 1915(b) waiver and 1915(c) Habilitation Supports Waivers (HSW), community-based mental health, substance abuse and developmental disability specialty services and supports are covered by Medicaid when delivered under the auspices of an approved Prepaid Inpatient Health Plan (PIHP). To be an approved Medicaid provider, a PIHP must be certified as a Community Mental Health Services Program (CMHSP) by MDCH in accordance with Section 232a of the Michigan Mental Health Code. A PIHP may be either a single CMHSP, or the lead agency in an affiliation of CMHSPs approved by the Specialty Services Selection Panel. Service providers may contract with the PIHP or an affiliate of the PIHP. PIHPs must be enrolled with MDCH as Medicaid providers. (Refer to the General Information for Providers Chapter of this manual for additional information.) The PIHP must offer, either directly or under contract, a comprehensive array of services, as specified in Section 206 of the Michigan Mental Health Code, being Public Act 258 of 1974, as amended, and all of those specialty services/supports included in this manual.

For the Specialty Services and Supports Program, Centers for Medicare and Medicaid Services gave Michigan permission to use Section 1915(b)(3) of the Social Security Act which allows a state to use Medicaid funds to provide services that are in addition to the state plan services. Those services are described in the Additional Mental Health Services (B3s) section of this chapter. Services selected during the person-centered planning process may be a mix of state plan, HSW, and additional/B3 services, or state plan or HSW or additional/B3 services only, depending on what services best meet a beneficiary's needs and will assist in achieving his goals.

The 1915(c) Children's Waiver services are delivered under the auspices of a CMHSP that has been enrolled as a Children's Waiver provider. Children's Waiver services are reimbursed by MDCH through a fee-for-service (FFS) payment system. The Children's Waiver program is described in the Children's Home and Community-Based Services Waiver Section of this chapter.

1.2 STANDARDS

The PIHP shall comply with the standards for organizational structure, fiscal management, administrative record keeping, and clinical record keeping specified in this section. In order for a state plan or HSW service to be reported as a Medicaid cost, it must meet the criteria in this chapter.

1.3 ADMINISTRATIVE ORGANIZATION

The administrative organization shall assure effective and efficient operation of the various programs and agencies in a manner consistent with all applicable federal and state laws, regulations, and policies. Effective and efficient operation includes value purchasing. As applied to services and supports, value purchasing assures appropriate access, quality, and the efficient and economic provision of supports and