

<b>SUBJECT</b> Utilization Management Program		<b>CHAPTER</b> 01	<b>SECTION</b> 05	<b>SUBJECT</b> 01
<b>CHAPTER</b> Administrative		<b>SECTION</b> Utilization Management		
<b>WRITTEN BY</b> Tom Seilheimer & Lauren Tompkins		<b>REVIEWED BY</b>		<b>AUTHORIZED BY</b> PIHP Board

**I. APPLICATION:**

- PIHP Board
- PIHP Staff
- CMH Providers
- CMH Subcontractors
- SUD Providers

**II. POLICY STATEMENT:**

It shall be the policy of the Region 10 PIHP to establish and operate a Utilization Management (UM) Program as required within the Region 10 PIHP Quality Assessment and Performance Improvement Plan (QAPIP). This policy describes UM Program responsibilities and operations directly carried out within the PIHP, UM Program operations delegated to the PIHP network entity (CMHSP/SUD Provider), and PIHP monitoring and oversight of delegated operations.

**III. DEFINITIONS:**

**Authorization:** A process designed to ensure that planned services meet eligibility and medical necessity criteria, as appropriate to the conditions, needs and desires of the person being served.

**Levels of Care for Mental Health Specialty Services:** A process through which severity of service need is aligned with intensity of service, according to medical necessity criteria, as developed within the person-centered planning process. This process applies to persons receiving ongoing, non-emergent services, is configured within clinic populations (i.e. SMI, COD, DD, SED), and includes community inpatient psychiatric services.

**Medical Necessity:** The criteria by which a credentialed practitioner determines the provision of appropriate services/supports for a particular person, condition, occasion and place. Such criteria ensures that services/supports are provided to treat, ameliorate, diminish, arrest or delay the progression of symptoms, and to attain or maintain an adequate level of functioning. It is utilized within the person-centered planning process and the practice guidelines of the PIHP.

**Practice Guidelines:** Systematically developed standard of care that serves as a clinical basis for providing behavioral healthcare services to enrollees of its covered population.

**Service Utilization Monitoring:** The routine monitoring of service utilization patterns and trends, through use of a compendium of reports and audits to monitor and manage service over/under-utilization (i.e. access to services, utilization trends, focused service utilization monitoring, UM activity).

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Utilization Management: The PIHP care management system consisting of a set of functions and activities ensuring that eligible beneficiaries receive clinically appropriate, cost-effective services delivered according to clinical protocols/practice guidelines focused on obtaining the best possible clinical outcomes.

Utilization Management Processes: A process through which services are authorized, based on medical necessity criteria, and based on three determinations:

1. Eligibility;
2. Level-of-care; and
3. Service selection.

#### IV. STANDARDS:

- A. The PIHP Board shall have final authority and responsibility for the assurance of a flexible, comprehensive and integrated UM Program.
- B. The UM Program shall function within the PIHP Quality Assessment and Performance Improvement Program.
- C. The PIHP CEO shall act as the PIHP Board's designee to ensure successful administration of the UM Program.
- D. The UM Program shall establish operations (retained and/or delegated) that ensure:
  1. Procedures to evaluate for medical necessity;
  2. Criteria-based service utilization decisions, including processes to review and approve such decisions;
  3. Remediation of over/under-utilization of services;
  4. Prospective/concurrent/retrospective utilization review by qualified reviewers;
  5. Service coordination;
  6. Notice and appeals; and
  7. Mechanisms to evaluate UM Program effectiveness.
- E. The UM Program shall establish operations designed to monitor all delegated UM Program activities.

#### V. PROCEDURES:

1. The PIHP oversees operational management of the following PIHP retained activities:
  - Development, adoption and dissemination of Practice Guidelines, Medical Necessity Criteria as defined in the Michigan Medicaid Provider Manual, and other Standards to be used by the local CMHSP/SUD Providers.
  - Development, modification and monitoring of related PIHP UM Policy, Procedures and Annual Plan as part of the regional QAPIP.

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- Review and analysis of the CMHSP's/SUD Providers quarterly utilization reports and annual review of CMHSP/SUD Provider and PIHP overall utilization activities. Oversight activities include, but are not limited to: performance and compliance monitoring, QAPIP Committee reports, and other PIHP performance reviews.

2. A CMHSP/SUD Provider may provide the following UM Program operations per delegation agreement with the PIHP:

- Initial approval or denial of requested service (initial assessment for authorization of psychiatric inpatient services; initial assessment for and authorization of psychiatric partial hospitalization services; initial and ongoing authorization of services to individuals receiving community-based services).
- Grievance and Appeals, Second Opinion management, coordination and notification.
- Communication with consumers regarding UM decisions, including adequate and advance notice, right to second opinion and grievance and appeal.
- Local-level Concurrent and Retrospective Reviews of Authorization and UM decisions/activities to internally monitor authorization decisions and congruencies regarding level of need with level of service, consistent with PIHP policy, standards and protocols.
- Persons who are enrolled on a habilitation supports waiver must be certified as current enrollees and be re-certified annually. A copy of the certification form must be in the Individual's file and signed by the local CMHSP representative.

VI. EXHIBITS – N/A

VII. REFERENCES

42 CFR: 438.236: Practice Guidelines

Medicaid Managed Specialty Supports and Service Contract Attachment P.7.1.1 Michigan Medicaid Provider Manual

Michigan Mental Health Code