SUBJECT Utilization Management Program		**CHAPTER** 01	**SECTION** 05	**SUBJECT** 01
CHAPTER Administrative	**SECTION** Utilization Management			
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I. APPLICATION:

☐ PIHP Board ☒ CMH Providers ☒ SUD Providers
☒ PIHP Staff ☒ CMH Subcontractors

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 Improvement Committee (QIC). 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 for the conditions, needs and desires of the member served.

Clinical Practice Guidelines: Developed and maintained by Region 10 PIHP, these are systematically developed standards of care that serve as a clinical basis for providing behavioral healthcare services to members.

Levels of Care for Mental Health Specialty Services: Also known as Continuum of Care, 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. persons with SMI, COD, I/DD or SED), and includes community inpatient psychiatric services.

Medical Necessity Criteria: Pertain to mental health, intellectual/developmental disabilities, and substance abuse services and supports necessary for screening and assessing the presence of a mental illness, developmental disability or substance use disorder; and/or required to identify and evaluate a mental illness, developmental disability or substance use disorder; and / or intended to treat, ameliorate, diminish or stabilize the symptoms of mental illness, developmental disability or substance use disorder; and/or expected to arrest or delay the progression of a mental illness, developmental disability, or substance use disorder; and/or designed to assist the member to attain or maintain a sufficient level of functioning in order to achieve beneficiary goals of community inclusion and participation, independence, recovery, and/or productivity. Using criteria for medical necessity, a PIHP may deny services that are deemed ineffective for a given condition based upon

professionally and scientifically recognized and accepted standards of care; that are experimental or investigational in nature; or for which there exists another appropriate, efficacious, less-restrictive and cost-effective service, setting or support that otherwise satisfies the standards for medically-necessary services; and / or employ various methods to determine the amount, scope and duration of services, including prior authorization for certain services, concurrent and post-service utilization reviews, centralized assessment and referral, gate-keeping arrangements, protocols, and guidelines. The PIHP may not deny services based solely on preset limits of the cost, amount, scope, and duration of services. Instead, determination of the need for services shall be conducted on an individualized basis.

Medical Necessity Determination: The application of criteria by which a credentialed practitioner determines the provision of appropriate services and supports for a particular person, condition, occasion or place. Such criteria ensure that services and supports are provided to treat, ameliorate, 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 clinical practice guidelines of the PIHP.

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).

Utilization Management: The PIHP care management system designed to ensure that members receive clinically appropriate, cost-effective services and supports delivered according to clinic practices focused on obtaining the best possible clinical outcomes. Key operations include a range of service utilization monitoring activities, e.g. service access, eligibility determination (including denial and appeal activities), selection and provision of care, utilization trends (also including trends per prospective, concurrent, retrospective utilization case record reviews), and service outcomes.

Utilization Management Processes: A process through which services are authorized, based on medical necessity criteria, and based on three determinations: eligibility, level-of-care, and 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. The PIHP's UM program core goals are as follows:
- Prompt and easy access to services and supports for all service recipients;
- Services and supports provided are appropriate for recipients' needs and are neither insufficient nor excessive;

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- Services and supports provided are high quality, clinically appropriate, and are the most cost-effective available; and
- Coordination of care takes place among all providers of supports and services

C. To achieve its Utilization Management goals, Region 10 PIHP engages in several specific UM functions.

- Eligibility Screening, including Psychiatric Hospitalization pre-evaluation;
- Service Authorization
- Utilization Review
- UM Committee: Retrospective Review & Outlier Management
- Development and Maintenance of Standards and Guidelines

These functions and operating processes are detailed in the PIHP UM Program Plan, which is approved by the Region 10 PIHP Board. The UM Program Plan details the above UM functions performed by the PIHP and any delegated items. In addition, for specific procedures on UM processes please refer to the PIHP Policy Manual.

D. Oversight of the PIHP's Utilization Management Program Plan is provided through two components: (i) The PIHP Medical Director provides clinical oversight and direction of the PIHP's overall UM program and staff; and (ii) The PIHP Chief Clinical Officer operates a Utilization Management Committee and UM Department to ensure both the PIHP staff and its provider network are following the PIHP's clinical policies and practices.

E. The UM Program Plan 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.

F. The UM Program Plan shall establish operations designed to monitor all delegated UM Program activities.

V. <u>PROCEDURES</u>:

A. The Region 10 PIHP oversees operational management of the following PIHP retained activities:
- Development, adoption and dissemination of Clinical 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.

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- Development, modification and monitoring of related PIHP UM Policy, Procedures and Annual UM Program Plan as part of the QIC.
- Review and analysis of the CMHSP/SUD Providers periodic service 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, QIC Committee reports, and other PIHP performance reviews.

B. 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
Michigan Medicaid Provider Manual
Michigan Mental Health Code
Medicaid Managed Specialty Supports and Service Contract Attachments:

- Attachment P.7.1.1
- Attachment P.6.3.1.1
- Attachment P.13.0.B