

NorthCare  
Utilization Management Plan  
Effective  
October 2006 through  
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TABLE OF CONTENTS

I. INTRODUCTION / OVERVIEW  
 Purpose..... 3  
 Priority Population..... 3  
 Treatment Philosophy ..... 3  
 Clinical Services..... 4

II. UTILIZATION MANAGEMENT PROGRAM  
 Access to Services..... 4  
 Applicability ..... 4  
 Program Structure..... 5

III. CONDUCT OF UTILIZATION MANAGEMENT  
 Medical Necessity ..... 7  
 Monitoring of Delegated Functions ..... 8  
 Information Collected for UM Activities ..... 10  
 Confidentiality..... 11  
 Appeals and Review Process ..... 11

IV. CLINICAL MANAGEMENT CRITERIA FOR INDIVIDUALS WITH MENTAL ILLNESS  
 AND INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES  
 Eligibility for Individuals with Mental Illnesses and Serious Emotional Disturbances 12  
 Eligibility for Individuals with Developmental Disabilities ..... 15

V. LEVELS OF CARE  
 Introduction ..... 16  
 Levels of Care for Individuals with Severe Mental Illness and Severe Emotional  
 Disturbance..... 16  
 Levels of Care for Individuals with Developmental Disabilities ..... 22

VI. ELIGIBILITY AND LEVELS OF CARE FOR SUBSTANCE ABUSE  
 SERVICES..... 23

VII. CLINICAL AUTHORIZATION REQUIREMENTS  
 Outpatient Mental Health Services..... 24  
 Residential Treatment (Mental Health/Developmental Disabilities) ..... 25  
 Community Inpatient Care for Mental Health Treatment..... 25  
 State Facility Placement..... 26  
 Substance Abuse Services ..... 26

VIII PRACTICE GUIDELINES AND EVIDENCE BASED PRACTICES ..... 26

IX. REFERENCES ..... 27

X. Attachments  
 Attachment 1 NorthCare Benefit Plan..... 28  
 Attachment 2 Medical Necessity Criteria ..... 29  
 Attachment 3 UM Enrollment Data..... 31  
 Attachment 4 LOCUS Crosswalk..... 32

## I. INTRODUCTION

### A. Purpose

NorthCare Network, the Prepaid Inpatient Health Plan (PIHP) for Medicaid Services in the Upper Peninsula, is responsible for ensuring that the full array of specialty mental health services and supports are provided across our region. NorthCare also manages the Medicaid benefit for individuals with substance abuse disorders. The Michigan Department of Community Health (MDCH) requires NorthCare to operate a Utilization Management (UM) program. The minimal requirements for a UM program are stated in the QI Programs for Prepaid Inpatient Health Plans, Attachment P 6.7.1.1 of the Master Contract with MDCH.

Utilization management is a set of functions and activities focused on ensuring that consumers have access to services with appropriate frequency and duration; delivered according to practice guidelines for obtaining the best possible outcomes. NorthCare providers are monitored to guarantee that services are delivered according to a person-centered planning process and that the Individual Plans of Service (IPOS) are effective in helping consumers reach their outcomes. NorthCare has a provider network which includes five Community Mental Health Service Providers (CMHSPs) and NorthCare Substance Abuse Services in the Upper Peninsula. Throughout this document, the term "specialty mental health services" denotes mental health (MH), substance abuse (SA), and developmental disabilities (DD) services and supports. The development of the IPOS for substance abuse services does not require compliance with all of the elements of the MDCH Person-Centered Planning Guideline.

### B. Priority Population

The priority population for the PIHP is Medicaid eligible individuals residing in the service area who have a serious mental illness and/or a developmental disorder or co-occurring disorders which result in functional impairments in multiple domains of their lives. Medicaid members who are enrolled in a Medicaid Health Plan (MHP) who meet criteria for mental health benefits under their MHP (mild/moderate condition, treatable within a specific time frame or limited number of visits) should be referred to their MHP for determination of benefits and services.

### C. Treatment Philosophy

Consumers bring strengths to treatment and the recovery process. From the initial determination of eligibility, across the continuum of care, treatment should be based on the principles of inclusion, integration, and participation and accommodation into the individual's community. Treatment plans must be individualized (person-centered) reflecting the assessment of consumer strengths and natural supports. This requires a careful case-by-case evaluation of each consumer's situation. NorthCare is committed to maintaining a network of providers who will offer the necessary treatments in the appropriate setting that provides the least restrictive level of care to meet the consumer's needs.

#### **D. Clinical Services**

Medicaid covered mental health, developmental disability and substance abuse support services are available throughout the service area. The array of services included in the NorthCare Benefit Plan is described in the Michigan Medicaid Provider Manual, Chapter on Mental Health/Substance Abuse Services, available at [www.northcare-up.org](http://www.northcare-up.org). The nature and intensity of specific supports provided for any individual will be determined through the person-centered planning process, and shall consider the nature of individual and family supports, the particular service delivery characteristics of the consumer's local community, and the individual's strengths, needs and desires. The specialty services and supports typically utilized include medication/psychiatric services, specialty discipline assessments and treatment, case management/supports coordination, psychosocial rehabilitation, community living supports, skill-building assistance, outreach and home-based services, Assertive Community Treatment (ACT), employment services and peer support, crisis intervention services, and inpatient care. At the core of our delivery system are the CMHSPs of the Upper Peninsula, geographically located to maximize consumer accessibility to clinical services.

NorthCare has a comprehensive and well-integrated delivery system. In addition to the clinical staff of the CMHSPs, the PIHP maintains a network of practitioners and facilities for specialty mental health and substance abuse services. These providers come from a broad range of clinical and counseling backgrounds, including board certified or board eligible psychiatrists, licensed doctoral level psychologists, certified master's level clinicians, registered bachelor's level clinicians, and certified addiction counselors. All clinicians must undergo a thorough credentialing process, and substance abuse providers are all required to maintain accreditation and licensure. NorthCare's normal business hours are 8 A.M. to 5 P.M. (Eastern Time). The local CMHSPs offer referral and crisis services as well as emergency hospital authorizations 24 hours a day, 7 days a week.

## **II. UTILIZATION MANAGEMENT PROGRAM**

#### **A. Access to Services**

Consumers may contact their local CMHSP directly for all mental health and developmental disability services and supports. This allows members the maximum ease and convenience in making arrangements for services that fit with their life circumstances. Providers must be in compliance with access standards outlined in the NorthCare Access Policy.

Consumers requesting substance abuse services will be directed to the local provider for an outpatient assessment. If more intensive SA services are necessary, the assessment will be completed by the NorthCare Substance Abuse Services clinical staff.

#### **B. Applicability**

This Utilization Management Program is applicable to all Medicaid consumers including adults with a serious mental illness (SMI); children with a serious emotional disturbance (SED); individuals with co-occurring disorders; individuals with developmental disabilities (DD); and both adults and youth with substance abuse disorders (SA). NorthCare has delegated the primary utilization management functions (e.g., outpatient authorizations, initial pre-admission screenings, and

credentialing and privileging) to the provider agencies. The delegated CMHSP authorization functions follow the requirements outlined in the NorthCare Authorization Policy (available at [www.northcare-up.org](http://www.northcare-up.org)). Individual provider contracts and delegation agreements designate which UM functions are the responsibility of the provider, and outline NorthCare's responsibility to monitor those delegated functions. Consumers have review processes for disputed authorization decisions – at both the local and state level. These processes are outlined in the NorthCare Consumer Grievance and Appeals Policy. The CMHSPs must have an internal provider appeals mechanism if a clinician disagrees with a CMHSP authorization decision. Disputed authorizations between CMHSPs are managed at the PIHP level. The NorthCare utilization management program is conducted under the supervision of the Medical Director, a board certified psychiatrist.

### **C. Program Structure**

The Utilization Management Plan adheres to the Quality Improvement recommendations for utilization management structure. For additional information regarding committee structure and functions, consult NorthCare's Quality Improvement Plan.

#### **1. NorthCare Utilization Management Coordinator and regional Utilization Management Committee:**

The UM Coordinator and the regional committee develop and guide utilization efforts. The committee is composed of key UM/Clinical Supervisory staff from each of the five CMHSPs in addition to NorthCare UM and QI staff. The committee meets on a regular basis, usually once a month. The committee has been extensively involved in the development and annual reviews of the UM Plan, clinical management criteria, the benefit plan, and relevant NorthCare policies and practice guidelines. Special work groups are formed as needed to focus on specific aspects of care such as the Crisis Services Committee, the Criminal and Juvenile Justice Diversion Committee, and the Evidence Based Practice project teams. The UM Plan, including the application of the clinical management criteria and UM procedures is reviewed by the Utilization Management Committee on an annual basis.

#### **2. NorthCare Staff Qualifications**

At a minimum, NorthCare Utilization Management personnel shall have a master's degree, and a minimum of three years of clinical experience. The UM staff shall have extensive mental health knowledge, substance abuse knowledge, and experience in quality management. Before beginning employment, all staff members must be fully credentialed. Staff member credentials are verified every two years to ensure that licensure/authorization is current. All psychiatrists conducting utilization management reviews shall: (a) be educated and experienced in the area(s) of specialty relative to the review, and (b) be Board Certified or Board Eligible in their profession and/or specialty. Denial determinations are reviewed by health care professionals who have appropriate clinical expertise in treating the consumer's condition or disease. No reviewers will have any material, professional, familial, financial, or other conflict of interest incentives for decision making.

#### **3. Program Components**

##### **a. Clinical Management Criteria**

NorthCare's clinical management criteria provide the basis for establishing eligibility for specialty mental health services and the appropriate level of

services and supports. The clinical management criteria were developed from the state's MDCH contract guidelines, major national sources of "best practices" and current industry standards, and also include practice guidelines for jail diversion, inclusion, consumerism, person centered planning, housing, personal care and substance abuse. These criteria are reviewed/updated as indicated or required by MDCH. The Utilization Management Committee and Medical Director review any proposed changes and solicit feedback from staff, network providers and consumers regarding proposed changes, which may result in deletions, modifications, additions, or clarifications. Criteria are routinely distributed to all providers whenever updated, and are available to any provider, member or facility upon request by calling NorthCare or the provider agency.

b. Utilization Management Training Program

All new UM personnel at NorthCare shall undergo an extensive orientation process. New staff, including the staff psychiatrist and Medical Director, receive an extensive orientation that includes policies and procedures, UM Plan and clinical management criteria, the level of functioning tools used in establishing eligibility, UM review processes, regulatory agency requirements, consumer's rights, suspected child and elder abuse reporting, confidentiality (to include 42 CFR), informed consent criteria, covered services information regarding contracted providers, emergency procedures, appeal procedures, etc. New employees work with experienced UM personnel until they demonstrate the ability to work independently.

c. Utilization Management Processes

1) NorthCare and the CMHSPs utilization management processes are based upon three (3) determinations:

- Priority Population Determination for eligibility for ongoing services—Guidelines for making this determination are established by the NorthCare Medical Director working with the key clinical staff of the five CMHSPs. The Clinical Management Criteria (see Section 4 below, page12) clarify the Medicaid consumers eligible to receive services as priority population consumers. The CMHSPs are not required to restrict services to priority population consumers but must demonstrate to the PIHP that consumers meeting this definition are served in a timely way.
- Level of Care Determinations—an individual clinical determination based on a complete psychosocial assessment; a functional assessment; provisional diagnosis and prior service history. See Section 5 of this plan for complete description ( page 16)
- Service Selection Determination--Services that are provided to the consumer. The CMHSPs utilize the NorthCare Benefit Plan to determine expected services at the assessed level of care (Attachment 1). The services authorized are:
  1. Negotiated through a person-centered planning process.
  2. Medically necessary as defined in the Michigan Medicaid Provider Manual, Chapter on Mental Health/Substance Abuse Services, Section2.5 (Attachment 2)
  3. Based on Best Practice guidelines and evidence based practices.Provision of Services—NorthCare monitors the provision of services through prospective, concurrent and retrospective review processes. (See Section III A)

2) NorthCare's utilization management process for Substance Abuse Services:

- Eligibility Determination to receive substance abuse treatment funding through Medicaid, it is necessary to verify current Medicaid coverage that identifies the recipient as a resident within the CA's fifteen-county Medicaid catchment area and demonstrate "medical necessity" for services.
  
- Levels of Care  
Intensive level of care determinations are made by the Access Specialist through the NorthCare CDR screening process.
  - Intensive Outpatient (Level 2.1)
  - Residential Treatment (Level 3.3 and 3.5)
  - Sub-Acute Detox ( Level 3.7 D)
  - MethadoneOutpatient Level of Care determinations are conducted by our licensed substance abuse providers.
  - Outpatient (1.0)

d. Monitoring Enrollee Rights and Protections

UM staff support Member Services and the Recipient Rights staff to assure enrollee rights and protections are provided to all Medicaid consumers. UM staff conduct:

- record reviews to verify that consumers have been properly notified of their rights.
- reviews of the cases being managed by the Behavior Management Committees at each CMHSP to verify physical and chemical restraints are used only under the strict guidelines of the NorthCare Behavior Management Policy.
- targeted reviews to determine whether access to services were denied when appropriate.

NorthCare has delegated the authority to the CMHSPs to conduct Fair Hearings that are requested by a consumer at their agency. NorthCare requires the CMHSP file the Hearing Notice with the NorthCare Chief Operation Officer by FAX within 24 hours of being notified of a Fair Hearing Request. NorthCare may provide technical assistance to the CMHSP when a case is proceeding with the MDCH Administrative Tribunal.

### III. CONDUCT OF UTILIZATION MANAGEMENT

#### A. Medical Necessity-

The Michigan Medicaid Provider Manual, (April 12, 2006, page 13) states, " a PIHP may:

- deny services that are:
  - ✓ Deemed ineffective for a given condition based upon professionally and scientifically recognized and accepted standards of care;
  - ✓ Experimental or investigational in nature; or
  - ✓ For which there exists another appropriate, efficacious, less restrictive and cost-effective service, setting, or support and otherwise satisfies the standards for medically necessary services and/or

- Employ various methods to determine amount, scope and duration of services, including prior authorization for certain services, concurrent utilization reviews, centralized assessment and referral, gate-keeping arrangements, protocols and guidelines."

The CMHSPs are responsible for clinical authorizations for mental health and developmental disabilities services for all outpatient and residential treatment services and for the initial (24 hour) authorization of any psychiatric inpatient admission for any Medicaid consumer. Delegated utilization management functions are outlined in the NorthCare Delegation Agreement (April 2006) attached to the CMHSPs' subcontract (available at [www.northcare-up.org](http://www.northcare-up.org)). Length of stay authorizations and continuing stay reviews for inpatient psychiatric treatment at Marquette General Hospital will be the responsibility of NorthCare UM staff. NorthCare has delegated authorization of continuing inpatient stays at hospitals other than Marquette General Hospital to the local CMHSPs. State inpatient placements and continuing stay authorizations are the responsibility of the CMHSP; however encounter data for state inpatient placements must be processed through the NorthCare Management Information System (837I).

**B. Monitoring of Delegated functions** – NorthCare utilizes three (3) review processes:

1. Targeted Reviews

Targeted Reviews analyze how effectively the CMHSPs are (a) managing the Access System in accordance with established standards and protocols; (b) conducting eligibility determinations and screenings; and (c) managing consumer complaints and formal grievances / appeals. Functional review components may include but not be limited to:

- ❖ Appropriate decisions and documentation of consumer eligibility determinations;
- ❖ Appropriate assessment of “medical necessity” and “level-of-care” criteria met for referral/s;
- ❖ Specific services and number of visits authorized are documented and correctly coded.
- ❖ Evidence that the consumer was provided orientation of grievance/appeal rights; and received written materials.
- ❖ Consumer received necessary benefit plan brochures, information, privacy notice, adequate notice, and the overall orientation packet from Customer Services.
- ❖ Evidence that “Second Opinion appeals” were handled timely and documented appropriately.
- ❖ Evidence that “Expedient Appeals” were handled timely and documented appropriately.
- ❖ Evidence that consumers were provided desired assistance and as-needed follow up on referral linkages, by Customer Services.
- ❖ Appropriate disposition and documentation of denials.

2. Concurrent Reviews

Concurrent reviews consist of both clinical record reviews and Medicaid verification reviews to examine implementation of delegated UM functions and compliance with the UM and QI programs. The reviewers examine current

services being delivered to ensure they are: (a) consistent with the outcomes of person-centered planning; (b) medically necessary (c) contained in the IPOS, with amount, scope, duration and intensity of each service specified; and (d) delivered as planned in the IPOS; or, if not, with written clinical explanation/documentation; and services are verified. Functional components of concurrent reviews may entail, but not be limited to:

- ❖ Completion of Intake Assessment within required timeframes, and documentation of medical necessity and appropriateness of level of care.
- ❖ IPOS meets all required criteria (e.g. State Plan Service eligibility documented; scope, duration and intensity of each service documented; alternative services specified; and the PCP Practice Guideline. The language used in the IPOS should be understandable by the lay person and express the number of services being provided in the units found in the NorthCare Benefit Plan.
- ❖ Evidence that identified services meet medical necessity
- ❖ Evidence that all claims have necessary supporting documentation in the medical record.
- ❖ Discharge planning is evident in the clinical record.

### 3. Retrospective Inpatient Reviews

Retrospective reviews examine either (a) closed cases, or (b) cases where payment for inpatient services is in question. These reviews ensure services were: (a) delivered as medically necessary; (b) contained in the IPOS and (c) each claim was appropriately documented. Functional components of retrospective reviews may include but are not limited to:

- ❖ Reviews of selected problematic claims
- ❖ Selected studies of claims trends to be determined by the Utilization Management Committee
- ❖ Evidence that identified services meet medical necessity/utilization criteria.
- ❖ Evidence that all paid claims have necessary supporting documentation in the medical record.
- ❖ Identification of need for discharge planning and adequacy of discharge plans.

### 4. Substance Abuse Services

Outpatient services are accessed through the local SA provider. The provider registers the client and obtains an authorization from NorthCare Substance Abuse Services. The out-patient provider determines the out patient benefit. Co-Occurring consumers receiving services from CMHSPs are staffed and recommended for intensive SA services via their Medical Director and Clinical Supervisor prior to entering treatment. All intensive substance abuse services, including residential and intensive outpatient, but excluding sub-acute detoxification, require a substance abuse assessment by NorthCare.

### **C. Information Collected for UM Activities**

All consumers receiving ongoing services must be enrolled with NorthCare. Information required at the time of enrollment includes consumer demographics, funding source information, clinical, diagnostic and functional assessment data, primary eligibility designation and level of services authorized (Refer to Attachment 3 - UM Enrollment Data)

#### **1. Mental Health & Developmental Disabilities**

The provider is responsible for enrolling the consumer with NorthCare. With an inpatient admission, NorthCare may receive information from a variety of sources (e.g., any facility, psychiatrist, or responsible representative, including a family member) UM staff shall obtain all necessary information from the provider that has authorized the admission, procedures, and treatment to be provided. Information for continuing stay reviews may include additional consumer information, attending physician/clinician information, facility documentation, relevant clinical history and diagnostic/treatment information. Clinical documentation must include a preliminary discharge plan. All service coverage decisions are made in accordance with MDCH's policies and guidelines

#### **2. Substance Abuse Services**

The provider is responsible for obtaining authorizations and re-authorizations for all services. All service coverage decisions are made in accordance with the Center for Medicare/Medicaid Services (CMS) and MDCH's policies and guidelines in accordance to 42 Code of Federal Regulations (CFR). The providers are responsible for providing education and notice of the consumers' grievance and appeals rights. NorthCare's clinical management criteria for substance abuse are contained in the NorthCare Substance Abuse Services Provider Manual which is distributed annually to all licensed network providers. It is also available on the NorthCare website, [www.northcare-up.org](http://www.northcare-up.org).

#### **3. Demographic and Clinical Information**

For all specialty mental health services outpatient authorizations, CMHSP staff shall obtain necessary demographic and clinical/diagnostic information sufficient to support the level of care requested. Additional data regarding scope and goals of services to be provided according to the IPOS may also be obtained.

#### **4. Medical Records**

Copies of medical records shall not routinely be requested in the course of continuing stay reviews, but may be requested in connection with quality management activities, audit activities, or for retrospective reviews, when necessary.

#### **5. Additional Information**

Additional information may be requested by NorthCare UM staff, or voluntarily submitted by the provider, when there is significant lack of agreement between the UM staff and the provider regarding the appropriateness of services during a review or appeal process.

#### **6. Reimbursement for Costs**

Reimbursement for costs associated with obtaining copies of consumer records shall be dictated by individual provider contracts.

#### **7. Coordination by NorthCare UM Staff**

Staff involved in conducting Utilization Management will coordinate with QI staff any records/material reviewed and received in order to avoid duplicate requests for information, in accordance with HIPAA regulations.

**D. Confidentiality**

All protected health information obtained and/or reviewed in connection with NorthCare's Utilization Management activities is maintained in a confidential and secure manner in accordance with applicable state and federal laws. Consumer information shall be used solely for the purposes of utilization review, quality assurance, and case management. The information will be shared with only those agencies authorized to receive such information, (e.g. payers or claims administrators). Statistical data shall not be considered confidential if it does not provide sufficient information to identify any individual consumers. As a condition of employment, NorthCare staff are oriented to confidentiality requirements and are required to sign a confidentiality statement. Violation of confidentiality standards shall result in formal disciplinary action, which may include suspension and/or termination. All information regarding substance abuse clients will follow 42 CFR rules and regulations.

**E. Appeals and Reviews**

1. Authorizations for all services other than acute psychiatric inpatient care are the responsibility of the local CMHSP and NorthCare Substance Abuse Services. Authorizations may be denied for the reasons outlined under Section III A above.

2. The Grievance and Appeals Process

Guidelines for grievances and appeals are established in the NorthCare Consumer Grievance & Appeal Process Policy. In addition, the person-centered planning process also provides consumers with information about providers' informal conflict resolution processes. Providers are required to report all grievances and appeals filed by Medicaid consumers to NorthCare. As required by Medicaid regulations, NorthCare has the authority to directly respond to any concern regarding denial of access to necessary services.

Provider appeal mechanisms at a systems level are outlined in the Provider Network Management Policy. NorthCare, per federal regulations, requires that providers and consumers are informed of the right of the provider to advocate on behalf of a consumer (NorthCare Enrollee Rights Policy). The NorthCare Customer Handbook provides the consumer with this information. The CMHSPs and other providers are required to have a formal process for clinical staff to appeal internal utilization management decisions.

3. Review Process

NorthCare UM staff are available during normal business hours (8 AM to 5 PM ET weekdays). Formal site reviews will be scheduled at least thirty (30) days ahead of time. Provider chart reviews will be conducted as needed. NorthCare will schedule chart audits at least one (1) week in advance whenever possible. UM staff will follow providers' reasonable procedures for conducting on-site reviews. Staff shall identify themselves by name and state their affiliation with NorthCare, and conduct their reviews so as not to disrupt the provider's normal business.

#### **IV. CLINICAL MANAGEMENT CRITERIA FOR INDIVIDUALS WITH MENTAL ILLNESS AND INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES**

##### **A. Eligibility Criteria for Persons with Serious Mental Illnesses or Serious Emotional Disorders -- PRIORITY POPULATION Statement by Dr. Joseph Cools, NorthCare Medical Director, revised 11/05**

The State of Michigan receives Federal dollars through the Medicaid Program to support health care. The Federal Government favors health care through Health Maintenance Organizations (HMOs). By law, HMOs are required to cover 20 Mental Health Outpatient (O/P) visits. Michigan, in recognition of the expert treatment provided the "Priority Populations" by the CMHSP system, received permission to "carve out" specialty behavioral health care for its "Priority Populations". This "carve out" divided the responsibility and funding for treatment of mental illness in Michigan between the Medicaid Health Plans (20 O/P visits) and the CMHSPs (specialty services). This is a change in funding/responsibility from historical patterns and has caused confusion among consumers, providers and our community partners. This paper is intended to help differentiate the consumers that are to be served by CMHSPs from those that should be served by the Medicaid Health Plans.

There are three important documents that help in defining the boundaries of the priority population and the non-priority population. These documents are the Mental Health Code, Department of Community Health (DCH) Contract with the Pre-paid Inpatient Health Plan (PIHP) for Specialty Services, and the Service Selection Guidelines (SSG).

##### **Michigan Mental Health Code**

"Services provided by a community mental health services program shall be directed to individuals who have a Serious Mental Illness (SMI), Serious Emotional Disturbance (SED), or Developmental Disability (DD)." 330.1208(1)

"Services may be directed to individuals who have other mental disorders that meet criteria specified in the most recent Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association and may also be directed to the prevention of mental disability and the promotion of mental health." 330.1208(2)

"Priority shall be given to the provision of services to individuals with the most severe forms of serious mental illness, serious emotional disturbance, and developmental disability. Priority shall also be given to the provision of services to individuals with a serious mental illness, serious emotional disturbance, or developmental disability in urgent or emergency situations." 330.1208(3)

##### **The Fiscal Year 2003 – 2005 Medicaid Managed Specialty Supports Contract:**

"The PIHP shall be responsible for outreach and ensuring adequate access to services to the priority populations (Medicaid eligible and Michigan Mental Health Code – mandated priority populations)."

"The PIHP shall utilize the Service Selection Guidelines as outlined in their contract with the MDCH in Attachment P 3.3.1 (DD) and Attachment P 3.3.2. (MI)."

"The PIHP will use, for Medicaid beneficiaries, the medical necessity criteria specified by MDCH and reflect in Attachment P 3.2.1."

##### **Service Selection Guidelines (SSG) (Attachment 3.3.2)**

"The SSGs are a framework for determining what conditions are appropriate for which service." The SSGs are divided into three protocol categories: (1) High acuity (urgent or emergent); (2) Enhanced Rehabilitation and Support Services Protocols; and (3) Treatment/Utilization Management Protocols for mild/moderate disorders.

Obviously, as consumers define crises that may lead to urgent or emergent situations, we need to respond with an appropriate continuum of crisis intervention or acute care services. To be eligible for continued services (Enhanced Rehabilitation and Support Services), persons would need to be part of the “priority population”.

“Under the managed mental health services programs, capitated payouts and state funds must be used to provide covered or mandated mental health services to eligible consumers or priority populations, and cannot be used to supplant other sources of payment or to pay for services that are the responsibility of another agency”.

*(Pg. 34 of 49) **Enhanced Rehabilitation and Support Service Protocols for Persons with Serious Mental Illness and Serious Emotional Disturbances***

“This protocol is designed to identify those persons with serious and persistent conditions whose needs are likely to include multiple treatment options, support and rehabilitation services. A broad range of services and supports must be available to treat individuals with these conditions and, although a baseline need for services may remain constant, the particular mix or array and intensity of services required at any given point in time is likely to be variable. In arranging services and supports for any given individual with a serious and persistent condition, the emphasis must be placed on the person-centered planning process. Within the context of this process, a wide array of service and support needs may be identified related to care coordination, housing, socialization, personal care, training in community living, mobile supports, family assistance, behavior management, skill development and vocational/educational opportunities.

This protocol is not intended to prescribe the mix of services and supports that should be provided to each individual with a serious and persistent condition. As noted, the person-centered planning process is the appropriate vehicle for determination of the scope, frequency, and intensity of services and supports for a particular individual. This protocol merely offers a method and provides a simple algorithm for identifying consumers who require enhanced services and supports.

Persons with serious and persistent conditions are a major focus of community mental health services. The group is not defined by a single illness that requires a single treatment approach, but encompasses a range of disorders, degrees of impairment, and/or disability and differential rehabilitation, support and recovery needs. Referred to by various designations (e.g., community support system, comprehensive systems of care, etc.), the service array, typically utilized by persons with serious conditions, includes: medication/psychiatric services, residential/housing, crisis response, inpatient care, varying levels of case management support, psychosocial rehabilitation services, in vivo community training and skill building, outreach and home-based services, employment services, and peer support.

*(Pg. 35-36 of 49) **Conceptual Framework for Identification of Persons with Serious Disorders***

A variety of approaches have been developed to identify persons with serious and persistent mental disorders or serious emotional disturbances. For purposes of managing the **Medicaid** specialized ambulatory mental health benefits, severe and persistent mental illness and severe emotional disturbances are defined in MSA Bulletin **95-03**:

“For purposes of this policy and for HMO or Clinical Plan enrollees only, severe and persistent mental illness and severe emotional disturbances are defined by: diagnosis and degree of disability, or

diagnosis and duration of illness, or  
diagnosis and prior service utilization criteria.

**ADULTS:** - Severe and Persistent Mental Illness:

Diagnosis as defined by Diagnostic and Statistical Manual – IV Version (DSM-IV) – Schizophrenia and Other Psychotic Disorder (295.xx: 297.1; 298.8; 298.9), Mood Disorders, or Major Depressions and Bipolar Disorders 296.xx.

Degree of Disability – Substantial disability functional impairment in three or more primary aspects of daily living such that self-sufficiency is markedly reduced. This includes:

personal hygiene and self-care,  
self-direction,  
activities of daily living,  
learning and recreation, or  
social transactions and interpersonal relationships.

In older persons (55 or older), loss of functional capacity might also include:

loss of mobility,  
sensory impairment,  
physical stamina to perform activities of daily living or ability to communicate immediate needs as the result of medical conditions requiring professional supervision, conditions resulting from long-term institutionalization.

Duration –

evidence of six continuous months of illness, symptomatology, or dysfunction, or six cumulative months of symptomatology/dysfunction *in a 12-month* period, or based on current condition and diagnosis, there is a reasonable expectation that the symptoms/dysfunctions will continue for more than six months.

Prior Service Utilization –

four or more admissions to a community inpatient unit/facility in a calendar year, community inpatient hospital days of care in a calendar year exceeding 30 days, state hospital *utilization* of over 60 days *in a calendar year*, or utilization of over 20 mental health visits (e.g., individual or group therapy) in a calendar year.

**Children and Adolescents** – Severe Emotional Disturbances

Diagnosis as defined by DSM-IV –

Schizophrenia and Mood Disorders (Major Depressions and Bipolar Disorders),  
Reactive Attachment Disorder (313.39),  
Medicaid-Covered Gender Identity Disorder (302-.6, 302.85),  
Autism with Accompanying Mental Disorder, or  
Conduct Disorder

Degree of Disability – Marked to severe emotional/behavioral impairment (not solely the result of mental retardation or other developmental disability, epilepsy, drug abuse, or alcoholism) that results in substantial functional limitation of major life activities in two or more of the following areas:

self-care at an appropriate developmental level,  
self-direction, including behavioral control,  
capacity for living with family or family equivalent,  
social functioning,  
learning, or  
perceptive and expressive language.

Duration –

evidence of **six** continuous months of illness, symptomatology or dysfunction, six cumulative months

of symptomatology/dysfunction in a 12-month period, or on the basis of a specific diagnosis (e.g., schizophrenia) disability is likely to continue for more than one year.

**Prior Service Utilization –**

Four or more admissions to a community inpatient unit/facility in a calendar year, community inpatient hospital days of care in a calendar year exceeding 45 days, state hospital utilization of over 50 days in a calendar year, or utilization of over 20 mental health visits (e.g., individual or group therapy) in a calendar year.

The definitions referenced above are used to distinguish those Medicaid Health Plan enrollees who should receive their outpatient mental health services through the Health Plan from those who have more severe conditions and hence, should be referred to CMHSPs for specialized services. While MSA Bulletin 95-03 only mentions Health Plan (Health Maintenance Organizations and Clinic Plans) enrollees, most CMHSPs have viewed these criteria as the basic admission parameters for Medicaid specialized mental health services, regardless of the consumer's health plan status."

Based on the above referenced documents and my clinical expertise in CMHSPs, my recommendations to NorthCare for eligibility for Enhanced Services are:

Adults:

- 1) CMHSPs primarily serve adults with the diagnosis of Schizophrenia and other Psychotic Disorders (295xx; 297.1; 297.3; 298.8; 298.9), Major Depression, and Bipolar Disorder, who also meet the Degree of Disability, Duration, and Prior Service Utilization Criteria. Caution should be used in relying on the diagnosis from outside sources. Disorders should be independently verified by the CMHSPs. Rarely would a NOS diagnosis qualify as "Priority Population". The utilization of more than 20 outpatient visits in one calendar year criteria should be used with caution if other criteria are not met.
- 2) Adults with Severe Personality Disorders and Severe Anxiety Disorders would have to significantly meet more than the minimum Degree of Disability and Prior Service Utilization Criteria.

*Note: In co-occurring disordered patients their degree of disability, duration and prior service utilization must be due to their SMI before CMHSPs should accept primary responsibility for Enhanced Services and coordination of Substance Abuse Services.*

Children:

Children and adolescents with two or more elevated (rated at 20 or 30) subscale scores on the CAFAS and total impairment greater than 80 with a serious and persistent mental illness qualify for enhanced services. Caution should be used if there are elevations in the Role Performance or Substance Abuse Scales. The "greater than 80" is a guideline. Clinical documentation should support serious dysfunction that results from mental illness.

**B. Eligibility Criteria for Developmental Disability Supports**

The eligibility and service necessity criteria for DD services and supports are described in the NorthCare Practice Guidelines for Individuals with Developmental Disabilities. A copy may be obtained from the NorthCare office.

1. To be eligible for the continuum of developmental disabilities supports and services, members must meet the Michigan Mental Health Code definition of developmental disability, which includes the presence of a developmental disability attributable to mental and/or physical impairment, manifested before age 22; likely to

continue indefinitely; and needing a combination of special interdisciplinary or generic services for an extended duration. The NorthCare Functional Assessment for Adults with Developmental Disabilities or the NorthCare Functional Assessment for Children with Developmental Disabilities will be used as a guideline to establish eligibility for services. Functional limitations in three or more areas of major life activity (e.g., self-care, communication, learning, mobility, self-direction and capacity for independent living and/or economic self-sufficiency) as a result of that disability establish eligibility. For individuals under age 6, eligibility requires the presence of a developmental delay attributable to a congenital or acquired condition that will likely result in a developmental disability if intervention is not provided.

2. Supports and services and treatments authorized by NorthCare will meet the standards established in Section 2.5.C in the Michigan Medicaid Provider Manual (Attachment 1 to this Plan).

## V. LEVELS OF CARE

**Crisis Services are available to all individuals located within the Upper Peninsula and are not defined in a separate level of care. A "crisis" is either consumer defined or intervention requested by a community referral source. Levels of Care apply to those Medicaid consumers who are going to receive ongoing services at the CMHSPs or Substance Abuse providers.**

The Medicaid Managed Specialty Supports and Services Master Contract for the FY 03-04 under section 2.2 Service Requirements states: The PIHP must limit Medicaid services to those that are medically necessary and appropriate, and that conform to accepted standards of care.

The Medicaid Provider Manual defines the full range of services offered by the CMHSPs, and the benefits that an individual is eligible to receive are determined by the level of care that is medically necessary. The clinical determination of level of care is further defined through the person-centered planning process where outcomes are negotiated with the consumer. The levels of care offered by NorthCare for all consumers are outlined below. The NorthCare benefit plan lists the specific services available at each level of care and includes the expected scope and duration of those services (Attachment 1). The benefit plan offers a mechanism to identify over and under utilization of services, and is reviewed at least annually.

### **A. Levels of Care for Individuals with Serious Mental Illness and Serious Emotional Disorders**

#### **Level One: Brief Outpatient /Limited Services**

Services Include:

MH 1A Brief Outpatient Therapy:

- Typically less than 12 sessions; psychiatric consult and/or medication review may be appropriate.

MH 1B Supports Coordination /Therapeutic Stabilization and Support:

- Less than 20 outpatient mental health visits per year; may include psychiatric consult/assessment and quarterly psychiatric monitoring.

Severity of Illness:

Psychiatric Signs and Symptoms:

- Presence of cognitive, perceptual, affective and/or somatic disturbances or impaired developmental progression (children and adolescents) of sufficient intensity to cause subjective distress and/or disordered behavior.
- For supports coordination/therapeutic support, these symptoms are persistent and recurrent and likely to lead to a more intensive level of care if professional support is not maintained.
- Level of distress or disordered behaviors is not severe enough to endanger self or others.

Functional Impairments:

- Disruption of self-care, daily living skills, social/interpersonal functioning and/or education/occupational role performance. (Disruption in functioning has been sustained for those consumers requiring ongoing therapeutic support.)
- The consumer or family is able to identify specific outcomes that supports are likely to impact regarding improved level of functioning and/or remission of presenting symptoms.

Clinical Stability/Risk Potential:

- The consumer is considered to be at minimal immediate risk of self-harm or harm to others.
- Although there may be transient suicidal ideation, there has been no recent serious attempt to harm self or others, nor is there any substantial plan of action regarding harm to self or others.

Intensity of Service:

Environment of Care/Level of Restrictiveness:

- Services may occur in office-based or community settings, and the individual/family/community support system is considered adequate to assist the consumer, when needed, in performing activities of daily living.

Nature/Frequency of Supports Available:

- Services are typically provided by a licensed or certified psychiatrist, psychologist, social worker, professional counselor or other qualified mental health professional, and may include individual, family and group therapy and/or psychiatric medication management.
- For individuals who have previously been seriously functionally impaired but currently demonstrate clinical stability, who require ongoing therapeutic support to maintain emotional/behavioral stability, support may be provided by a clinician to maintain continuity of care according to consumer preference.
- Frequency of necessary services will be determined by the consumer needs and preferences as negotiated in the person-centered plan, and will typically occur not more than once weekly or less than quarterly.

Level Two: Specialized Outpatient Specialty Mental Health Services

Services Include:

MH 2A Supports Coordination / Community Supports

- Typically would include supports coordination contact bi-monthly to quarterly.
- May also include community living supports and/or skill building assistance (weekly), monthly to quarterly psychiatric monitoring, minimal vocational supports (e.g., job coaching < 2 hrs. per week), and other clinic services as determined by the IPOS.
- These individuals will be encouraged to utilize all available options for drop-in and other consumer directed activities.

MH 2B Intensive Case Management

- May require up to 3 times a week of targeted case management, weekly community living support and/or skill building assistance, 10 hours per week of vocational support, monthly psychiatric monitoring, and other clinic services available as determined by the IPOS.
- Regular involvement in drop-in centers or other consumer supported activities shall be available.

MH 2C Assertive Community Treatment/Home-Based Services

- May require therapeutic/case management support up to twice daily, may need intensive vocational support (up to 20 hours per week), daily community living supports and/or skill building assistance, weekly psychiatric monitoring, and options for consumer-directed activities.

Severity of Illness:

Psychiatric Signs and Symptoms:

- Acute and substantial disturbance of cognition, memory, mood/affect, perception and/or behavior due to severe emotional distress or mental illness.
- Symptom acuity does not pose an immediate risk of danger to self or others, but risk of harm would likely be substantial if intensive services are not available.

Functional Impairments:

- Evidence of acutely diminished ability to perform activities of daily living independently or appropriately, and/or to function adequately in familial/social or educational/occupational roles.
- Ability to benefit from supports offered such that the individual/family is able to perform/maintain essential activities of daily living and function adequately with sustained support and assistance.

Clinical Stability/Risk Potential:

- There are some elements of risk regarding self-harm or harm to others, but the individual does not pose a serious or immediate threat as ideation is intermittent and fleeting, and judgment/impulse control is considered sufficient to minimize risk.
- There is no recent history of significant suicidal activity that would be

considered intentional or lethal and has no well-defined plan for such activity.

- The individual has engaged in non-serious, mildly self-injurious actions as a gesture of discontent or as a parasuicidal coping mechanism.

Intensity of Service:

Environment of Care/Level of Restrictiveness:

- Intensive outpatient services are generally applicable for those individuals who require sustained and intensive professional supports to reside in their home or other community setting.
- There is no restriction of access to community activities and supports, and treatment is generally provided in non-traditional home and community based settings.

Nature/Frequency of Supports Available:

- Treatment generally requires a multi-disciplinary system of supports, and should always include availability of psychiatric and nursing monitoring and consultation. Intensive case management and coordination of necessary services is essential.
- In addition to availability of psychiatric, nursing and other professional support, paraprofessional staff are often involved in providing community living support and training activities under the direction of the professional treatment team.
- Contact can occur as often as needed, as frequent as once or twice daily to once or twice monthly as determined by clinical need, consumer preference and as driven by the IPOS.

Level Three: Residential Treatment Services

Services Include:

MH 3A Therapeutic Foster Care (Children with Serious Emotional Disturbances)

MH 3B Foster Care Homes with Specialized Care Contract with CMHSP

MH 3C Treatment Group Home

MH 3D Crisis Residential Services

- Residential Services may be considered to treat a seriously mentally ill adult or seriously emotionally disturbed child who requires 24 hour monitoring and care and/or daily supervision to adequately perform essential tasks of daily living. Severity of Illness and Intensity of Service Criteria are parallel to those that require inpatient care, however, level of symptom acuity, extent of functional impairments and/or the assessment of clinical instability/risk potential do not justify or necessitate treatment at a more restrictive level of care. Room and board are not a covered benefit. However, the treatment components (i.e. personal care and community living supports) within a residential or foster care arrangement are covered expenses. Individualized residential arrangements are often developed as a step-down from an inpatient care environment or to prevent a move to a more intensive level of care.

Severity of Illness:

Psychiatric Signs and Symptoms:

- Some prominent disturbance in cognition, perception, or affect and/or severely disordered/bizarre behavior sufficient to interfere with an individual's ability to carry out activities of daily living or impair ability to meet social/educational/vocational role performance expectations.
- Impairment in reality testing or thought process serious enough to cause disordered behaviors, impulse control difficulties, poor judgment, or psychomotor disturbances

Functional Impairments:

- Serious neglect of self-care tasks and/or insufficient attention to essential aspects of daily living.
- Ability to maintain adequate nutrition, shelter and other essentials of daily living only with structure and/or prompts available in the residential environment.
- Interpersonal functioning is significantly impaired.

Clinical Stability/Risk Potential:

- Moderate danger to self may be reflected in intermittent suicidal ideation or passive death wishes but without intention/means to act on these thoughts. Mild and infrequent self-harm gestures may occur, but there has not been any recent significant (by intent or lethality) attempt.
- Self-mutilation, if present, is mild and does not constitute a serious threat to the consumer's well-being.
- If assaultive behaviors have been evident, there is a reasonable expectation based on history and recent behavior, that there is sufficient impulse control to suppress further aggressive activity or the behavioral structure of the residential environment is considered sufficient to minimize risk toward others. Aggressive acts of property destruction have not, nor are expected to, result in endangerment of others.

Intensity of Service:

Environment of Care/Level of Restrictiveness:

- A variety of physical environments may be applicable to this level of care.
- Although some residential facilities may discourage unrestricted access to the community, egress is not physically prohibited.
- The level of symptom acuity and behavioral impairment is such that seclusion and or restraint procedures are seldom necessary and only infrequently used. Generally meals and daily structure are provided by program or professional staff, but the individual accepts the structure and/or cooperates in the completion of essential functions of daily living.

Nature/Frequency of Supports Available:

- Professional support may be available on a daily basis, and crisis response is available 24 hours.
- Medical/Psychiatric monitoring and oversight as needed should be routinely available.
- Active treatment and service delivery are expected to occur on a daily basis, and support staff are available around the clock.

Level Four: Inpatient Care

Services include:

- MH 4A Acute Inpatient Care (Community)
- MH 4B State Hospital Inpatient Care

Severity of Illness:

Psychiatric Signs and Symptoms:

- Features of intense cognitive/perceptual/affective disturbances, seriously disordered and/or bizarre behavior and/or prominent psychomotor retardation resulting in significant interference with the individual's capacity to perform normal activities of daily living.
- Seriously impaired reality testing, disorientation, memory impairment, defective judgment and/or impulse control difficulties such that the welfare of self/others is endangered.

Functional Impairments:

- Inability to attend to basic self-care tasks or to perform essential tasks of daily living and/or inability to meet basic needs for adequate food, clothing and shelter.
- Evidence of serious impairment in interpersonal functioning and/or extreme deterioration in ability to meet current role performance expectations.

Clinical Stability/Risk Potential:

- Potential for danger to self is real and immediate: Suicidal attempt or ideation is considered serious by the intentionality, degree of lethality, extent of hopelessness, degree of impulsivity, current level of impairment, history of previous attempts and/or existence of a workable plan.
- Current evidence or recent history of self-mutilation and/or reckless endangerment exists such that the intent, impulsivity, plan and judgment would suggest an inability to maintain control over these actions.
- Danger to others is likely based on recent evidence of serious assaultive behavior and potential for escalation/repetition of assaultive behavior in the near future, expressed intention to harm others and a plan/means to carry it out, and/or significant destructive behavior toward property that endangers others, and level of impulse control is impaired or non-existent to counter these thoughts/impulses

Intensity of Service:

Environment of Care/Level of Restrictiveness:

- Continuous observation and control of behavior is needed to protect the consumer, others, and/or property or to contain the individual so treatment may occur.
- The environment required at this level of care will typically include ability to institute suicidal/homicidal precautions, and to utilize a closed/locked unit with isolation and/or restraint procedures when necessary to protect the consumer.
- Close and continuous medical observation and supervision is necessary to develop or implement an effective psychotropic medication regimen.

Nature/Frequency of Supports Available:

- A comprehensive multi-modal therapy plan is needed due to the complexity and/or severity of the consumer's signs and symptoms or co-existing conditions.
- Daily psychiatric monitoring and 24 hour nursing supervision is required.
- Availability of necessary consultation or services from additional disciplines/specialists is expected, and implementation of the treatment plan occurs on a daily basis.

**B. Levels of Care for Individuals with Developmental Disabilities**

DD Level 1: Basic Support services

Residential - Family Home, Respite, Standard AFC

Vocational/Educational/Community - Community Employment (may be w/ minimal supports), minimal support required in classroom setting.

Professional Support Services - Supports Coordination, Medical and other clinic services (1-10 hrs. of supports per month)

DD Level 2: Enhanced Support Services

Residential - Family Home w/ supports, Respite, AFC Special Contract, SILP with weekly support

Vocational/Educational/Community - Organizational Employment, Prevocational Training, Volunteer Activities, Community Living Supports, Skill Building, support services in classroom setting as required by the child's educational plan.

Professional Support Services - Supports Coordination or Targeted Case Management, Behavior Management, Medical and other clinic services (11-20 hrs. of supports per month)

DD Level 3: Specialized Support Services

Residential - Specialized Residential, contract group home (may include overnight sleep staff), Family Home w/ supports, Respite, Supervised Apartments, Special Contract, SILP with multiple weekly supports

Vocational/Educational/Community - Organizational Employment, Prevocational Training, Volunteer Activities, Community Living Supports, Skill Building, extensive supports needed in educational setting as defined in the child's educational plan (IEP).

Professional Support Services - Supports Coordination or Targeted Case Management, Behavior Management, Medical and other clinic services (21-30 hrs. of supports per month)

DD Level 4: Intensive Residential and Support Services

Residential - Regional Centers, Specialized Contract Residential Settings, and CMH operated or contract group homes w/ 24 hr. awake supervision

Vocational/Educational/Community - Controlled prevocational training, Community Supports Environment, Skill Building, intensive and continuous supports necessary in specialized educational setting as per the child's educational plan (IEP).

Professional Support Services - Supports Coordination or Targeted Case Management, Behavior Management, Medical and other clinic services (31 + hrs. of supports per month)

## **VI. ELIGIBILITY AND LEVELS OF CARE FOR SUBSTANCE ABUSE SERVICES**

### **A. General Information**

Funded Medicaid services are aimed at achieving permanent changes in an individual's behavior with respect to harmful alcohol or drug use. Lifestyle, attitudinal, and behavioral changes enhance an individual's ability to achieve his or her treatment goals and abstain from non-healthy use of substances.

Descriptions of levels of care and treatment services are paraphrased, based on the ASAM Patient Placement Criteria, Second Edition Revised (PPC-2R). Other than the initial assessment, all levels of treatment require a diagnosis of substance abuse or substance dependence in order to be reimbursable. Services shall be provided in the amount, for the duration, and with the scope that is appropriate to reasonably achieve the desired treatment objectives for the individual client.

### **B. Assessment**

A standardized assessment instrument with a biopsychosocial orientation and application of DSM-IV criteria for substance dependence and substance abuse determines the need for intervention. An Addiction Severity Index Lite (ASI Lite) is used to determine level of care when treatment is warranted

Network providers screen all clients for co-occurring disorders as part of the routine intake /assessment process. Screening information may be incorporated into the agency's intake forms, interview procedures, or in a separate screening form.

Assessments administered by NorthCare are considered valid for ninety days. An update will be scheduled for a client if their last assessment has been between three to six months. After six months, NorthCare staff will determine whether a new assessment is needed.

Specialty programs are available: The Salvation Army Harbor Light – Deaf/Hard of Hearing Substance Abuse Program, Closed Head Injury – Personal Therapists, Inc., Project Rehab Hispanic Program, New Hope – Women's Residential – Women and Families Program, Great Lakes Recovery Center – Adolescent Services, NorthCare refers and coordinates services based on medical necessity. In cases where clients do not meet criteria for addiction services, referrals are offered as appropriate. Consumers requesting outpatient services are assessed by the treatment provider of their choice.

### **C. Clinical**

Medical necessity determines need for services. Services are defined as clinically appropriate, necessary to meet needs, consistent with the person's diagnosis, symptomatology and functional impairments. Services are provided in the least restrictive environment utilizing the most cost effective option. Clients are considered a priority when they meet one of the following criteria: 1) the client is pregnant and abusing substance abuse 2) the client is an IV drug user.

### **D. Covered Services for Clients Meeting Medical Necessity:**

#### **1. Outpatient Treatment/Aftercare (Level 1.0)**

Outpatient services are offered in a non-residential setting by appropriately credentialed addiction personnel. Regularly scheduled sessions of 9 or fewer contact hours occur per week may include individual, family, and/or group sessions.

Limited biopsychosocial assessment (within 14 days of admission), individualized treatment planning, and appropriate documentation of progress are required components. Client will be assessed and found to meet criteria outlined in the ASAM-PPC-2R and criteria in the DSM-IV for substance dependence/substance abuse.

2. Intensive Outpatient (Level 2.1)

Intensive outpatient treatment can be provided in 9 (minimum) to 19 (maximum) hours of structured services per week. The expectation in our region is that an IOP client receives 3 four-hour days of treatment or 4 three-hour days of treatment per week. Individual therapy, group sessions, and family counseling are typically included, as well as didactic elements concerning alcohol and drugs. Client will be assessed and found to meet criteria outlined in the ASAM-PPC-2R and criteria in the DSM-IV for substance dependence/substance abuse.

3. Sub-Acute Detoxification (Level 3.7)

Sub-acute detoxification is determined by qualified medical personnel. The Clinical Institute Withdrawal Assessment (CIWA) may be used to rate the severity of withdrawal symptoms.

4. Evaluation for Appropriateness of Methadone Therapy

Marquette General Hospital provides evaluation for Methadone Therapy. Assessments are performed by addictionologist/physician, behavioral health professional, and/or other medical staff. The CDR provides referral for clients to the Center for Intensive Addiction Services at MGH. Clients appropriate for Methadone treatment are assisted in gaining entry to treatment. A contract is in place with Eastside Clinic in Petoskey and Quality Addiction Management on Green Bay.

5. Residential Treatment

Residential treatment may be authorized by NorthCare for up to 22 days of treatment. Admissions must be based on: medical necessity, AAR service requirements and an LOC determination based on an evaluation of the 6 assessment dimensions of the current ASAM Patient Placement Criteria.

## **VII. CLINICAL AUTHORIZATION REQUIREMENTS**

### **A. Authorization Requirements for Outpatient Mental Health Services**

Outpatient treatment is authorized at the local provider level, and authorization standards established in the NorthCare Service Authorization Policy guide local procedures. When services beyond the initial clinical assessment are necessary, the provider shall, within ten (10) days, electronically submit clinical and diagnostic information to the regional Data Warehouse (Attachment 3-- UM Enrollment Data). The Michigan Mental Health Code requires an initial plan of service to be completed within seven (7) days of the assessment. NorthCare requires a comprehensive IPOS to be completed within 90 days of the clinical assessment. Each provider agency reviews the consumer's IPOS according to the frequency determined by the PCP, and submits information regarding the continuing level of care to NorthCare. Providers will submit encounter data for all services provided by their agency to the Data Warehouse at a minimum of once a week. This information is used to examine over and under utilization of services. The definitions of the data fields required are stated in the NorthCare Data Dictionary available at [www.northcare-up.org](http://www.northcare-up.org).

**B. Authorization Requirements for Residential Treatment for Mental Health Services/Developmental Disability Supports**

Medicaid funds may be used for mental health treatment that occurs while consumers are placed in residential facilities, but may **not** be used for room and board. Residential placement and continuing stay reviews are the responsibility of the provider agency. Each CMHSP shall have a placement review committee that is responsible for monitoring all residential placements. The reviews for continuing authorization shall be conducted at a frequency defined in the IPOS or as clinically indicated.

**C. Authorization Requirements for Community Inpatient Care for Mental Health Treatment**

1. Initial Authorization

NorthCare, through the local agencies, offers referral and crisis services as well as hospital emergency authorizations 24 hours a day, 7 days a week. Initial authorization (24 hours) for psychiatric inpatient treatment is the responsibility of the local CMHSP. The Provider shall notify the PIHP of initial admission to an inpatient psychiatric facility immediately if within normal business hours or by 10:00 a.m. EST the next business day if admission occurs after normal business hours. The regional emergency assessment form will be used to provide all essential data to NorthCare.

NorthCare will authorize all inpatient care beyond the initial day of admission. NorthCare UM staff will review the admission information; confirm initial authorization; establish a length of stay; and a Notice of Action is given to the consumer. At Marquette General Hospital, Notice to Medicaid and non-Medicaid consumers will be provided by NorthCare. At all other hospitals, NorthCare will provide Notice to Medicaid consumers and the CMHSPs will provide Notice to Non-Medicaid consumers. If questions arise regarding the appropriateness and necessity of the initial admission, the case is reviewed by the Staff Psychiatrist and/or Medical Director and Utilization Reviewer. The psychiatrist may determine that further inpatient treatment does not meet medical necessity criteria, and issue a denial for any continuing stay. Admission information should identify a preliminary discharge plan, and ongoing discharge planning and aftercare arrangements/post-stabilization services are the responsibility of the CMHSP provider. This preliminary discharge plan developed by the CMHSP shall be documented in the hospital clinical record no later than 48 hours (2 business days) following admission. This document could be prepared by the CMHSP and faxed to the hospital or it may be requested by the CMHSP that the plan be documented by the hospital social worker. The CMHSP's are responsible for discharge and aftercare planning; however, NorthCare UM staff may be utilized for consultation and/or resource development in this process.

2. Concurrent Review

After the initial provider authorization for inpatient treatment, consumers are automatically entered into the PIHP concurrent review process to ensure extended monitoring and evaluation for medical necessity according to procedures outlined in the NorthCare Service Authorization Policy. NorthCare has delegated the responsibility of authorizing continuing inpatient stays at hospitals other than Marquette General Hospital to the local CMHSPs. The CMHSP must register the

authorizations with NorthCare following the review. In the event that the UM staff determines that medical necessity criteria are not met, the case is reviewed by the CMHSP staff psychiatrist or the NorthCare Medical Director, and if supported, a denial notice is given to the provider/facility.

**3. Retrospective Review**

When a retrospective review for an inpatient admission/treatment episode is warranted (i.e., retroactive Medicaid eligibility determination or a high co-insurance payment for a dually insured consumer), the provider/facility shall submit the necessary documentation to NorthCare review staff. All pertinent information will be reviewed with staff psychiatrist. A determination will be made regarding the medical necessity of the inpatient admission/treatment episode. This determination shall be made within 30 days of receipt of the information needed to conduct the review. If the admission and continuing stay are supported, all parties involved shall receive notification within one (1) business day of the decision. When a determination is made not to authorize an admission and/or continuing stay, the hospital is notified.

**D. Requirements for State Facility Placement**

**1. Authorization**

Each CMHSP is responsible for authorizing any inpatient days at a state facility. NorthCare recommends at least quarterly reviews of all state facility placements and requires that the placement be reviewed by a face to face assessment by the CMHSP staff at least once a year. Consumers with developmental disabilities residing in state facilities are also reviewed by the NorthCare DD UM Committee on a regular basis, at least quarterly.

**2. Discharge**

Discharge planning includes submitting an application to NorthCare for Habilitation Supports Waiver for the consumer returning to the community. If a CMHSP determines not to apply for the waiver, documentation must be submitted to NorthCare with the rationale for the decision.

**E. Authorization of Outpatient Substance Abuse Services**

The authorization process for substance abuse services have been previously outlined in Section XX of this UM Plan.

**VIII. PRACTICE GUIDELINES**

NorthCare will work with Michigan Department of Community Health and all network providers to achieve the best clinical outcomes for our consumers possible. NorthCare will continue to develop treatment practices supported by research and established principles of care. Each CMHSP and SA provider is required to incorporate the Practice Guidelines published by MDCH into their clinical practices. Regionally, three evidence based practices are being implemented: 1) Integrated treatment for Individuals with Co-occurring disorders, 2) Family PsychoEducation Groups for Individuals with Serious Mental Illnesses, and 3) Parent Management Training for Children with Serious Emotional Disturbances. The implementation of these treatment practices are monitored by NorthCare through policy review; documentation of training of staff, consumers and stakeholders; and by encounter data indicating specific evidence based practices are being implemented at the provider level.

**IX. REFERENCES**

Patient Placement Criteria-2<sup>nd</sup> Edition revised, the American Society of Addiction Medicine [www.asam.org](http://www.asam.org)

Federal Balanced Budget Act of 1997 as implemented in 42 Code of Federal Regulations (CFR) Part 439, Medicaid Managed Care

MSA Medicaid Provider Manual, Chapter on Mental Health/ Substance Abuse Services available at [www.michigan.gov](http://www.michigan.gov) and [www.northcare-up.org](http://www.northcare-up.org)

Medicaid Managed Specialty Supports and Services Concurrent 1915 (b)/(c) Waiver Program Contract FY03-04 including both Amendments available at [www.northcare-up.org](http://www.northcare-up.org)

Medicaid Subcontracting Agreements with the Five Upper Peninsula CMHSP and the Delegation Agreement (April 2006) available at [www.northcare-up.org](http://www.northcare-up.org)

NorthCare Data Dictionary at [www.northcare-up.org](http://www.northcare-up.org)

NorthCare Quality Improvement Plan FY'05 available at [www.northcare-up.org](http://www.northcare-up.org)

NorthCare Policies available at [www.northcare-up.org](http://www.northcare-up.org)

NorthCare Substance Abuse Services Provider Manual available at [www.northcare-up.org](http://www.northcare-up.org)

**ATTACHMENT 1  
NORTHCARE BENEFIT PLAN**

Available at NorthCare's website  
[www.northcare-up.org](http://www.northcare-up.org)

## **ATTACHMENT 2**

### **Michigan Medicaid Provider Manual, Chapter on Mental Health/ Substance Abuse Services, Section 2.5 Medical Necessity Criteria April 1, 2006**

The following medical necessity criteria apply to Medicaid mental health, developmental disabilities, and substance abuse supports and services.

#### **2.5.A. Medical Necessity Criteria**

Mental health, developmental disabilities, and substance abuse services are supports, services, and treatment:

- 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 beneficiary to attain or maintain a sufficient level of functioning in order to achieve his goals of community inclusion and participation, independence, recovery, or productivity.

#### **2.5.B. Determination Criteria**

The determination of a medically necessary support, service or treatment must be:

- Based on information provided by the beneficiary, beneficiary's family, and/or other individuals (e.g., friends, personal assistants/aides) who know the beneficiary; and
- Based on clinical information from the beneficiary's primary care physician or health care professionals with relevant qualifications who have evaluated the beneficiary; and
- For beneficiaries with mental illness or developmental disabilities, based on person-centered planning, and for beneficiaries with substance use disorders, individualized treatment planning; and
- Made by appropriately trained mental health, developmental disabilities, or substance abuse professionals with sufficient clinical experience; and
- Made within federal and state standards for timeliness; and
- Sufficient in amount, scope and duration of the service(s) to reasonably achieve its/their purpose.

#### **2.5.C. Supports, Services and Treatment Authorized by the PIHP**

Supports, services, and treatment authorized by the PIHP must be:

- Delivered in accordance with federal and state standards for timeliness in a location that is accessible to the beneficiary; and
- Responsive to particular needs of multi-cultural populations and furnished in a culturally relevant manner; and
- Responsive to the particular needs of beneficiaries with sensory or mobility impairments and provided with the necessary accommodations; and

- Provided in the least restrictive, most integrated setting. Inpatient, licensed residential or other segregated settings shall be used only when less restrictive levels of treatment, service or support have been, for that beneficiary, unsuccessful or cannot be safely provided; and
- Delivered consistent with, where they exist, available research findings, health care practice guidelines, best practices and standards of practice issued by professionally recognized organizations or government agencies.

#### **2.5.D. PIHP Decisions**

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;
  - 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 amount, scope and duration of services, including prior authorization for certain services, concurrent utilization reviews, centralized assessment and referral, gate-keeping arrangements, protocols, and guidelines.

A 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 individual basis.

**ATTACHMENT 3**  
**NorthCare UM Enrollment Model, Required Data Fields for FY 2006-2007**

**I Demographics**

Board Client ID  
Board  
Client ID  
MCOID  
Board of Financial Responsibility  
Case Status  
Client Name  
Age  
DOB  
Gender  
Address1  
Address2  
City  
State  
ZIP

**II Insurance**

Medicaid  
Medicaid Number  
Spend down  
MI Child  
Adult Benefit Waiver  
Hab Waiver  
Child Waiver  
SDA-SSI-SSDI  
Medicare  
Commercial Ins  
Adoption Subsidy  
Plan Not Listed  
Ineligible

**III Clinical and Assessment Info**

UM Data required  
Data Exception categories  
Primary Clinician  
Level of Service Description  
AXIS1P  
AXIS1S  
AXIS2P  
AXIS2S  
AXIS3  
GAF  
Diagnostic Category  
Primary ICD9 Dx  
Primary DSM Dx  
  
Initial LOF Date  
Initial LOF Tool  
Initial LOF Score  
Most Recent LOF Date  
Most Recent LOF Tool  
Most Recent LOF Score  
  
Duration of Disability  
Prior Service Utilization  
Over 55 Score  
Primary Eligibility  
  
Further Service Indicated  
Disposition/Not Served:  
  
Initial Assessment Date  
Initial Assessment Year-Mo  
Current IPOS Date  
Current IPOS Year-Mo  
IPOS Lapse Date  
IPOS Lapse Year-Mo

**ATTACHMENT 4**  
**Level of Care Crosswalk with the LOCUS**

| <b><u>Level of Service</u></b>  | <b><u>LOCUS Score</u></b> |
|---|---------------------------|
| <b>Level I</b> Brief Outpatient Services:<br>Counseling<br>Psychiatric Services<br>Care Coordination  | 10--16                    |
| <b>Level II</b> Intensive Outpatient Services:<br>Case Management<br>Intensive Case Management<br>ACT   | 17--22                    |
| <b>Level III</b> Residential Treatment Services:<br>Therapeutic Foster Care<br>Treatment Group Home<br>Specialized Contract   | 23--27                    |
| <b>Level IV</b> Inpatient Care:<br>Acute Inpatient Care<br>State Hospital Inpatient Care  | 28 and above              |
| <p><b>If a level of service is chosen that is not within these parameters, clinical justification must be given in the "Notes" section of the LOCUS report.</b></p> |                           |