



Self-Directed Services Handbook

Table of Contents

Introduction to Self-Directed Services	2
Self-Determination and Self-Directed Services at The Right Door	3-4
Self-Directed Services—Step-by-Step	5
Roles and Responsibilities	6
Financial Management Services (FMS)	7
Hiring Your Staff	8-10
Managing Your Staff	11
Guide for Employers	12
Employment Resources	13
Guide for Document Management	14
Medicaid Fraud, Waste and Abuse	15-16
Discontinuation of Self-Directed Services	17
For Complaint/Reporting	18
Appendix A: Frequently Asked Questions	19-22
Appendix B: Medical Necessity	23-24
Resources	25

Introduction to Self-Directed Services

Self-Directed Services gives you control over and responsibility for the management of the resources available through your treatment plan.

The Person-Centered Planning process will give you the opportunity to share your ideas for achieving your goals while receiving services. That might include making decisions about how your treatment budget is spent, including who works with you and what services they provide.

If you choose Self-Directed Services, you will become the EMPLOYER. You will be in charge. Your case manager/therapist will guide you through the process, and a financial management service will support you as you become the boss.

The decisions will be yours, but so will the responsibilities: to manage hiring and firing, timesheets and schedules, and paperwork.

It is the policy of The Right Door for Hope, Recovery and Wellness to provide opportunities for self-directed services to all adults with intellectual or developmental disabilities and adults with mental illness. A person should have the authority to select, control, and direct approved, medically necessary services and supports, through the management of the resources allotted in their individual budget.

Self-Determination and Self-Directed Services at the Right Door

Self-determination is at the core of these service arrangements. Self-determination is all about choice and control. It is about giving over decision-making authority to people with disabilities, with support of their family and friends. It is about freedom. Self-determination asserts that a person should not have to lose their freedom because they require support from the public sector.

Principles of Self-Determination

Freedom...to determine one's own values and goals

Support...to get guidance and resources to achieve one's goals

Responsibility...to manage those resources responsibly

Authority...to make decisions that honor those values and goals

Self-determination is a value that promotes authority over an individual's life. It involves making choices and taking responsibility of one's life by hiring their own staff and managing their services within a pre-determined budget through the person-centered planning process. It gives persons-served and guardians more control over the use of the Medicaid dollars that are set aside for a person's care.

Self-determination is important because it means that all people have the freedom to decide how they want to live their lives, where, and with whom. To that end, relationships with others must be encouraged to grow and be protected.

All individuals have the ability to contribute to their community in a meaningful way. Community membership includes having an opportunity to be employed, to have a home, and to be involved in the routines of community life.

Self-Determination and Self-Directed Services at the Right Door (continued)

As persons-served gain control over their lives and resources, they assume greater responsibility for their decisions and actions and will receive the support they need to do so. This support comes in many forms, not always from a paid support system. In fact, the goal of the support system should be to remove barriers and build self-reliance, and in some cases, this may eliminate the need for paid support staff.

Choice Voucher arrangements are also available for children with developmental disabilities and/or severe emotional disturbance. The Choice Voucher System for Children provides a concrete set of methods that gives families of children receiving services and supports the meaningful authority to choose and directly hire providers of authorized services and supports.

The Right Door's commitment to the principles of self-determination is the foundation of self-directed services.

Being prepared is an important starting point for self-directed services. Reading the corresponding policies and this handbook will prepare persons-served and families for success throughout the process. The Right Door will support persons-served in navigating the responsibilities of self-directed service arrangements; however, there are guidelines and policies persons-served should be aware of before entering into this type of arrangement. All services received must have prior authorization: this means that before a service is provided, it must be evaluated to determine whether there is a medical necessity for the service. Medical necessity is further explained in Appendix B of this handbook.

If a person-served has any questions they may contact their primary clinician at any time.

Self-Directed Services— Step-by-Step

1. The person-served and their case manager and support team plan for Self-Direction during the Person-Centered Planning (PCP) process.
2. The team works together to create a budget. The budget is submitted for approval. The person-served chooses from one of the two contracted Financial Management Services (FMS).
3. The approved budget is sent to the FMS. Agreements are signed by the person-served, the FMS and The Right Door.
4. The person-served is now the EMPLOYER and finds potential employees and gets them ready to work, including:
 - completing and turning in hiring paperwork
 - signing an employment agreement
 - having the employee complete training
 - making schedules and job assignments
5. The EMPLOYER now manages their Self-Directed Services, including:
 - signing staff timesheets
 - keeping track of training
 - organizing and keeping documents
 - reviewing the Monthly Budget Report
 - communicating regularly with the FMS and the support team

Roles and Responsibilities

The Employer:

- creates a job description
- recruits, interviews, and hires staff
- creates staff schedules and creates a staff back-up plan
- makes sure staff finish all paperwork
- makes sure staff complete all training
- verifies, signs, and turns in time sheets
- reviews the Monthly Budget Report
- supervises, evaluates, and fires staff
- communicates any changes to FMS
- keeps a folder of all documents
- communicates regularly with your case manager

The Financial Management Service (FMS):

- manages all the hiring paperwork
- makes sure new staff are cleared to work
- collects time sheets and sends paychecks
- sends the Monthly Budget Report to the employer
- communicates any concerns with the employer

The Right Door:

- helps the employer create the budget
- helps the employer understand the Self-Directed Services process
- helps the employer review the Monthly Budget Report
- helps the employer to make sure staff are trained on time
- helps the employer to plan ahead and solve problems
- helps the employer to keep track of documents

Financial Management Services (FMS)

At no time can Medicaid dollars go directly or indirectly to a person-served, guardian, or responsible party, therefore an FMS is used to pay for services and help coordinate self-directed services. The FMS will assist persons-served with some of their responsibilities as an employer.

The FMS is an independent legal entity under contract with The Right Door that receives the money identified in the individual budget from The Right Door and helps a person-served coordinate various employment tasks. When employee timesheets are submitted by the person-served/guardian/employer, the FMS makes a payment to the person's workers or providers.

An FMS also:

- Facilitates the completion of required documents
- Ensures staff are trained by working with the employer
- Completes background checks before employees are hired and annually
- Helps a person-served manage payroll, taxes and some legal responsibilities
- Pays employees after processing time sheets
- Distributes monthly budget reports to the employer and to The Right Door
- Communicates with the employer and The Right Door if there are budget concerns such as over- or under-utilization

The Right Door has contracts with the FMS agencies listed below. Persons-served/employers are encouraged to speak to their primary clinician about choosing one that works for them.

GT Independence
215 Broadus Street
Sturgis, MI 49091
(877) 659-4500
www.gtindependence.com

Community Living Network
302 W. Michigan Ave.
Ypsilanti, MI 48197
(734) 482-3380
www.communityalliance.com

Hiring Your Staff

Staff Qualifications

Employees work for the person-served and are responsible for knowing what the person-served's needs, goals, and plans are through review of the individual plan of service (IPOS). Employees will be qualified and must be:

- At least age 18
- Able to prevent transmission of any communicable disease
- Able to communicate expressively and receptively in order to follow the IPOS, support the employer's needs and provide documentation of services provided
- In good standing with the law (criminal background check)
- Clear of Recipient Rights violations (if something arises, this will be reviewed on an individual basis)
- Able to perform basic first aid procedures
- Not a conflict of interest (not the employer's legal guardian, spouse or person financially responsible)
- Able to complete agreements, forms and trainings required for employment

Finding Potential Employees

Persons-served/employers should write out a clear and detailed job description that informs potential employees about what is expected of them. Next, persons-served/employers should advertise that they are looking for someone with the set of skills written in the Job Description. Try online classifieds, job websites, social media, college job boards, the local CMH or even word of mouth.

Preparing for Interviews

Persons-served/employers look through the responses and coordinate interviews, being sure to carefully review credentials and applications. Keeping a check list handy of exactly what the person-served is looking for in a candidate is helpful. Persons-served can have their family, friends or other natural supports assist in going through the applications and giving feedback.

Hiring Your Staff (p. 2)

Interviewing

Schedule interviews! Remember during the interview process, persons-served/employers should:

- Give a brief introduction about person-served to put the candidate at ease and give them a bit of information about the person-served's background/needs
- Review the job description and why person-served is looking for employees
- Give time for the candidate to talk about themselves, their qualifications and any skills that would apply. Character and personality are very important because this person may just become a part of the person's life!
- Ask open-ended questions that cannot be answered with just "yes" or "no"
- Let the candidate have a chance to ask questions. The more they understand, the better they can perform the job. Here are some interview questions to consider using in this step:
 1. Tell me a little bit about yourself.
 2. Tell me about your previous employment. What were your responsibilities?
 3. Why did you leave?
 4. What was your most challenging job/position?
 5. What was your most rewarding job/position?
 6. Why does this position appeal to you?
 7. How do you handle stress and/or emergencies? Give an example of what you would do if a health issue or emergency came up.
 8. What are your strengths?
 9. What are your weaknesses?
 10. What hobbies or interests do you have, and would you share them?
 11. What kind of community activities do you enjoy?
 12. Do you have a vehicle? Would you be willing to drive?
 13. Why do you want to work for us?
 14. Describe a difficult work situation and how you overcame it.
 15. Why should we hire you?
 16. Do you have any questions about the job or duties?
- Review questions for you to consider:
 - Were they confident?
 - Could they handle an emergency?
 - Were they capable?
 - Were they friendly?
 - Would I want them in my home?
 - Will they work well with others?

Hiring Your Staff (p. 3)

Identifying and Hiring Employees

Review the candidates' information and answers to interview questions. Each candidate must meet the requirements listed above under Staff Qualifications. Once you have chosen a potential employee, the FMS will provide the hiring paperwork and complete the background checks. When they have been cleared and trained and the employment agreement has been signed, you can schedule your new employee!

Some policies to consider establishing with your new employees:

- **Probationary Time**–The employer may want to establish a probationary employment period during which an employee may be terminated with or without cause. Generally, a probationary period lasts anywhere from 3 to 6 months. This period will give the employer and the employee time to determine if it's a good match and if the employee can meet the requirements and responsibilities that the employer has outlined in the job description and IPOS.
- **Vacation/Holiday Pay**– The employer should develop a manual for staff to follow that explains the policies for each employee. Policies may include: holiday pay, vacation, specific travel expenses, or time off. Having a vacation and sick policy established clearly states the procedures for taking time off for employees and allows the employer time to make adjustments to the staff work schedule.
- **Overtime pay and scheduling**– The employer should establish and post a regular staff schedule to make sure all shifts are staffed and to avoid overtime pay. A well-managed staff will save the employer time and money as well as ensure supports are provided as outlined in the plan of service.

Managing Your Staff

Here are some important things to remember as a **new employer**:

- The employer is the PERSON-SERVED. Even if they have a guardian, that guardian would then be the person's managing employer. The guardian is there to assist with managing their staff, but the employer is THE PERSON-SERVED.
- The employer interviews, hires and terminates the staff that work for them with the assistance of natural supports. The financial management service (FMS) can help, too.
- The employer ensures their staff complete the employee packet and trainings. These documents must be turned in to the FMS and trainings are retained by employer.
- The employer is responsible to stay within the budgeted amount of hours that are agreed upon in the Self-Directed budget. If the budget is not followed there can be consequences, including termination of the self-direction or choice voucher arrangement.
- The employer is responsible to make sure their staff is doing the work that is outlined in their Individual Plan of Service (IPOS) and job description. Staff are paid with Medicaid dollars, and as such, the employer is responsible for ensuring that the employees are providing the services as outlined and being billed at all times.
- The employer is also responsible for ensuring all required Medicaid documentation is completed by staff.
- The employer reviews and signs all timesheets from staff before sending them to the FMS. Of note, the employer should send the timesheets directly to the FMS; timesheets should not be given back to the employees. The employer is to keep copies of all timesheets on file at the employer's location and have them available to their primary clinician on home visits. Employers should never sign a blank timesheet or one that is known to be inaccurate. Employers must immediately notify their primary clinician if asked to sign a timesheet they are not comfortable with.

Guide for Employers

Finding and interviewing potential employees	<ul style="list-style-type: none">--write out a clear job description--advertise for staff in online ads, job websites, social media, and word-of-mouth--prepare to interview potential staff—make a list of questions in advance--schedule interviews--check the references of potential staff
Completing hiring paperwork	<ul style="list-style-type: none">--ask your new potential staff to complete the hiring packet from the FMS--make sure ALL paperwork is turned in quickly
Training your new employee	<ul style="list-style-type: none">--use the Training Log as a guide to make sure your new staff is trained--plan ahead for any required renewals that your staff might need--review the job description with your new staff--train your new staff to correctly complete the time sheet
Supervising your employee	<ul style="list-style-type: none">--make the schedule for your new staff--give feedback to your staff on their job performance--make sure your staff have the things they need to be successful in their work
Managing your documents	<ul style="list-style-type: none">--keep track of the hours that your staff work and make sure the time sheet matches the hours worked--check, sign, and turn in time sheets to your FMS in a timely manner--create a space in your home to keep ALL documents related to your self-directed services

Employment Resources

Additional Resources for Employers

FLSA (Fair Labor Standards Act) Digital Reference Guide

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjsyMSf-q35AhVilzQIHUuSAbkQFnoECAwQAQ&url=https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/Digital_Reference_Guide_FLSA.pdf&usg=AOvVawOwGHoLDEm1G3rKdP7qtLHf

Applied Self-Direction: Participant Directed Services--What Employers Need to Know

<https://www.appliedselfdirection.com/sites/default/files/What%20Employers%20Should%20Know.pdf>

ARC: Hiring and Managing Personal Assistants

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjwhqup-a35AhW-GTQIHcRKDMIQFnoECAoQAQ&url=http://sonoranucedd.fcm.arizona.edu/sites/sonoranucedd.fcm.arizona.edu/files/Roadmap_Resource_Materials/Hiring_and_Managing_Personal_Assistants_Booklet.pdf&usg=AOvVaw3dv62gNHImGKxof3pgRDeh

Guide for Document Management

Hiring paperwork	Encourage your staff to turn in hiring paperwork to the FMS as soon as possible.	All of this paperwork will be managed by the FMS. They will take care of taxes, background checks, and payroll documents.
Agreements	Keep signed copies in your file at home.	Provide copies of agreements to the FMS, The Right Door, and your employee(s).
Time sheets	Check the time sheet for accuracy and sign. Be sure to sign time sheets as the work period is completed.	Send signed time sheet to FMS.
Training documents	Keep the originals in your file at home. Keep track of the dates that your staff need to complete their first aid renewal.	Send copies of the training log to the FMS.
Emergency plans	Complete the Back-up Plan form and keep in your file at home.	Share a copy of the Back-up Plan with your support team.
Meeting notes; schedules	Keep copies in your file at home.	Take notes in any meetings you have with your employees, your FMS, and your Case Manager to help you stay organized.
Monthly Budget Reports	Keep a copy of this in your file at home.	Review this with your Case Manager to make sure you are staying within your budget. Be sure to communicate any errors or questions with the FMS as soon as possible.

Medicaid Fraud, Waste and Abuse

When directly coordinating services that are paid for by Medicaid, persons-served have a responsibility to protect against fraud and abuse. The following are examples of Medicaid fraud and/or abuse:

- Falsifying timesheets or other documents
- Pre-dating or post-dating documents
- Billing for services that were not provided or performed
- Billing for more expensive services
- Poor or no documentation to support services delivered
- Forging a signature
- Signing a document for someone else, even if they ask you to
- Referring for or receiving kickbacks for referrals
- Providing and billing for services that are not medically necessary
- Using Medicaid dollars to purchase, repair or maintain an asset
(like a home or vehicle)
- Using the same clinical documentation for multiple services or shifts (for example, copying the same documentation and using other dates instead of writing a specific document for each time period)

Medicaid Fraud, Waste and Abuse (continued)

Consequences of Medicaid fraud include but are not limited to:

- Repayment of funds
- Exclusion from participating in Federal programs
- Criminal charges

To report fraud and/or abuse of Medicaid please contact the Corporate Compliance Officer for The Right Door at 616-527-1790 or 888-527-1790 or persons-served may contact the Michigan Fraud and Abuse Hotline at 855-MI-FRAUD (643-7283).

Additionally, Medicaid services cannot overlap except in very limited circumstances. As an employer under a self-direction/choice voucher arrangement, employers are responsible for ensuring services do not overlap. If there is an inappropriate overlap of services, the employer is responsible for paying the employee for services provided during the overlap period. The Right Door Provider Network department oversees Self-Directed services arrangements and will conduct regular audits of arrangements to ensure accuracy of billing and to prevent Medicaid fraud, abuse, or waste.

All of the requirements for documentation of Medicaid-funded supports and services, financial accountability for Medicaid funds, and monitoring requirements apply to services and supports acquired using arrangements that support self-determination. **Copies of all agreements, timesheets and supporting notes for the persons-served shall be kept for a period of 7 years by the employer and may be requested at any time during an audit of The Right Door.** It is important for the employer to develop a practice which keeps them organized and this may mean utilizing the support of employees or natural supports.

Discontinuation of Self-Directed Services

Either party—The Right Door or the employer—may terminate a self-directed services agreement, and therefore, terminate the arrangement. Common reasons that The Right Door may terminate an agreement after providing support and other interventions described in this guideline, include, but are not limited to:

- *Failure to comply with Medicaid documentation requirements
- *Failure to stay within the authorized funding in the individual budget
- *Inability to hire and retain qualified providers
- *Conflict between the individual and providers that results in an inability to implement an individual's plan of service (IPOS)

Prior to terminating an agreement, and unless it is not feasible, The Right Door shall inform the person-served/employer of the issues that have led to consideration of a discontinuation or alteration decision, in writing, and provide an opportunity for problem resolution. Typically resolution will be conducted using the person-centered planning process, with termination being the option of choice if other mutually agreeable solutions cannot be found.

Termination of a Self-Direction Agreement by The Right Door is not an appealable Medicaid Fair Hearings Issue. Only a change, reduction, or termination of Medicaid services can be appealed through the Medicaid Fair Hearings Process, not the use of arrangements that support self-determination to obtain those services. In any instance of The Right Door discontinuation or alteration of a self-determination arrangement, the local processes for dispute resolution may be used to address and resolve the issues through The Right Door Customer Service department.

Discontinuation of a self-determination agreement, by itself, shall neither change the individual's IPOS, nor eliminate the obligation of The Right Door to assure specialty mental health services and supports required in the IPOS are provided. In any instance of termination, The Right Door must provide a written explanation of applicable appeal, grievance, and dispute resolution processes and (when required) appropriate notice.

For complaint or reporting

Call our main number and request to speak to the person you need to connect with. 1.616.527.1790 or Toll-free: 1.888.527.1790

Compliance Officer: Susan Richards, LMSW Customer Service/
Recipient Rights Officer: Jennifer Morgan, LMSW

Appendix A: Frequently Asked Questions

How do arrangements that support self-direction work?

Through the PCP process, persons-served can pick the best way to obtain the services and supports in their plan. Persons-served may know who they want to hire to be their worker or they may choose how to find workers.

How do individuals use arrangements that support self-direction?

By using arrangements that support self-determination, individuals with developmental disabilities or serious mental illness or children with a serious emotional disturbance are better able to achieve their dreams and goals. With the support of their workers, they pursue their interests: many times these interests turn into businesses or paying opportunities. They meet and make friends with common interests. With control over funding comes the power to build the lives they want in the community, just like anyone else.

How is person-centered planning different than self-direction?

Person-Centered Planning (PCP) is the way that a person-served decides what their overall goals are; an Individual Plan of Service (IPOS) comes out of the PCP process to outline how a person-served can achieve those goals including what services and supports they need from the community mental health system. Self-Direction is a way to have more control over how those services and supports are provided.

How can persons-served make changes or solve problems?

Persons-served will go through the PCP process any time they want to change their IPOS. A new or updated PCP process is often the best way to make changes or solve problems because a person's allies can work together to help come up with creative solutions.

What is an Individual Budget?

An individual budget is the funding needed for the services and supports in a person-served's plan from a mental health agency. A person's individual budget is developed after or at the same time their IPOS is developed through the PCP process and approved by the mental health agency.

Frequently Asked Questions (p.2)

What is a Self-Directed Services Agreement?

The local mental health agency has the responsibility to make sure that Medicaid and other public funds are used the way they should be used. When persons-served use arrangements that support self-directed services, their mental health agency agrees to share that responsibility with them. Persons-served manage their individual budget, but the supports coordinator or case manager will check in to make sure that their needs are being met. Persons-served and their mental health agency have a written agreement called a Self-Directed Services Agreement. The agreement describes a person's rights and responsibilities. Before signing it, a person-served/employer should review it with their supports so they understand it and agree to it. If a person-served doesn't agree with something in the agreement, they should talk to their supports coordinator or case manager about it.

Can persons-served use the funds in the individual budget any way they want?

No. The dollars contained in the individual budget can only be used for the services and supports in the plan approved by the mental health agency.

What do persons-served use the funds in the Individual Budget for?

Persons-served use the funds in their individual budget to pay the professional providers or the workers they choose to provide the services and supports in their plan. Persons-served may choose how much they are going to pay someone within rates set by their mental health agency. Persons-served sign the timesheets for their workers or invoices from the professional providers to authorize payment to them.

How does the Financial Management Service (FMS) support persons-served with the Individual Budget?

A Financial Management Service (FMS) is an agency that handles an individual budget. The FMS receives the money in the individual budget from the mental health agency. When it receives a signed timesheet or invoice from the person-served/employer, it makes a payment to the workers or providers of services. The FMS also handles all of the legal and tax aspects of being an employer for the person-served.

Can persons-served use arrangements that support self-direction if they have a guardian?

Yes. Depending on the type of guardian they have (plenary or partial) and the powers the guardian has been given by the court, persons-served and their guardians will work together so they can participate in arrangements that support self-determination in a self-directed services arrangement.

Frequently Asked Questions (p. 3)

How can the primary clinician assist persons-served?

The primary clinician is responsible for working with persons-served to develop a plan and individual budget. They can give information about arrangements that support self-direction. They must monitor arrangements to make sure everything is going well and assist persons-served when they need help. Any time persons-served have a problem, they should let their primary clinician know right away.

How do persons-served hire workers?

Persons-served may choose any worker who meets the Medicaid provider qualifications for the service or support the staff is providing. Persons-served may hire friends or family members or recruit workers through word of mouth, ads, the Internet, or other means. Persons-served cannot hire their legal guardian or a relative who has legal responsibility for them (such as a spouse).

How do persons-served manage workers?

Persons-served set the hours and job duties (consistent with the duties for the workers in their plan). Persons-served sign the timesheet so worker(s) get paid. Persons-served must let a worker know if they are unhappy with their work and what needs to change.

Can a person's friends and family help?

Yes. Persons-served should ask people they have chosen to be involved in their PCP process or others to be allies and help handle responsibilities. When choosing allies, persons-served should think about people who they trust and who will respect and honor their feelings and preferences throughout the process. Examples of allies may include:

- *Friends*
- *Family members*
- *People a person-served works with or goes to school with*
- *People known from community organizations they are involved in*
- *Members of church, mosque or temple*
- *Staff who have worked with persons-served*

Frequently Asked Questions (p. 4)

What happens if a worker doesn't show up?

For the times that a worker is sick or wants to go on vacation, persons-served need a plan for who will support them while a staff is gone. This plan is called a back-up plan. It ensures that persons-served get the support they need if a worker is not there. The back-up plan is developed through the PCP process and is outlined in the IPOS. Persons-served can have an agency provide back-up or have a list of friends and family members willing to support them when a worker is not there.

How do workers get paid?

When directly employing workers, the Financial Management Service (FMS) serves as the employer agent. The FMS pays the workers and withholds and pays taxes and unemployment insurance. While the FMS performs these duties for the person-served, as employer the person-served has a responsibility to make sure that the FMS does its job right.

How can a person-served make changes?

Making changes to the Individual Plan of Service (IPOS) is easier when the person-served is in charge. Persons-served can find a new worker if the worker they have is not meeting their needs or is no longer available. Persons-served may be able to make small changes in their individual budget without involving the supports coordinator or case manager. A person-served and their case manager may be able to make some changes over the phone. For many changes, a person-served should work with their case manager to make the change. Bigger changes are best made using the PCP process. A person-served can have a PCP meeting and update their IPOS at any time.

What if a person-served cannot solve a problem through the PCP process?

If a person-served is unable to find a solution to a problem through the PCP process, they should be sure to let their case manager or the Customer Service Department know. Every mental health agency has local dispute resolution and mediation processes to help persons-served resolve a dispute about self-directed services. Persons-served also have the right to appeal any actions the mental health agency plans to take to change, reduce or terminate their Medicaid services through the Medicaid Fair Hearings Process once the local dispute resolution process has been exhausted.

Appendix B:

Medical Necessity

Before a service is authorized and provided, it must be evaluated to determine that there is a medical necessity for such a service. That means medical necessity must be proven.

Medical necessity is the scope (what kind), amount (how much and how often) and duration (for how long) of services a person needs based on their current mental health condition or intellectual/developmental disability. When a request for services is submitted to The Right Door, the medical necessity of those services is reviewed. Medicaid is the payer of last resort. This means that all other natural supports, community supports, and private insurance resources must be used before Medicaid will pay for a service.

The criteria used to evaluate medical necessity are found in the Michigan Medicaid Manual Mental Health/Substance Abuse Section 2.5 – Medical Necessity Criteria. It states: 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.

Medical Necessity (continued)

Using the criteria for medical necessity, a Pre-paid Inpatient Health Plan (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 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 individualized basis.

Resources

The Right Door Self-Determination and Self-Directed Services Procedure C 320.4

<http://www.rightdoor.org/policies-procedures/>

The Center for Self-Determination [The Center for Self-Determination](#)

The ARC Michigan [The Arc Michigan – Michigan](#)

Home and Community-Based Services Clearinghouse [HCBS | advancingstates.org](#)

Collaboration to Support Self-Determination <http://thecpsd.org/>

Alliance for Citizen-Directed Supports [Home - Citizen Directed Supports](#)

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