

# KALAMAZOO COMMUNITY MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

## ADMINISTRATIVE POLICY 06.02

<b>Subject:</b> Second Opinions / Grievance & Appeals / Dispute Resolution	<b>Section:</b> Customer Services	
<b>Applies To:</b> <input checked="" type="checkbox"/> KCMHSAS Staff <input checked="" type="checkbox"/> KCMHSAS Contract Providers	<b>Page:</b> 1 of 6	
<b>Approved:</b>  ----- (Jeff Patton, Chief Executive Officer)		
<b>Revised:</b> 08/22/2018	<b>Supersedes:</b> 11/14/2016	<b>First Effective:</b> 03/04/2002

### PURPOSE

To outline the requirements and process for persons receiving KCMHSAS services to request second opinions of service denials, or to request an appeal of service actions or to file a grievance about matters of dissatisfaction.

### DEFINITIONS

More complete list of definitions can be found in the MDHHS contract attachment [P.6.3.1.1](#). These definitions may be used in this Policy or subsequent procedures.

#### **Action (Adverse Action) or Adverse Benefit Determination**

Is a decision that adversely impacts a Medicaid beneficiary's claim for services due to:

- Denial or limited authorization of a requested service, including the type or level of service.
- Reduction, suspension, or termination of a previously authorized service.
- Denial, in whole or in part, of payment for a service.
- Failure to make a standard authorization decision and provide notice about the decision within 14 calendar days from the receipt of a standard request for service.
- Failure to make an expedited authorization decision within 3 working days from the date of receipt of a request for expedited service authorization.
- Failure to provide services within 14 calendar days of the start date agreed upon during the person-centered planning and as authorized by Southwest Michigan Behavioral Health (SWMBH) and its participant CMHSP's (such as KCMHSAS is).
- Failure of SWMBH to act within 30 calendar days from the date of a request for a standard appeal.

- Failure of SWMBH to act within 3 working days from the date of a request for an expedited appeal.
- Failure of SWMBH to provide disposition and a notice of a local grievance/complaint within 90 calendar days of the date of the request at which time the individual has the right to request a fair hearing.

**Adequate Notice**

Written notice advising the beneficiary of a decision to deny or limit authorization of Medicaid services requested. This notice shall be provided on the date the action takes place, or at the time of the signing of the Individual Plan of Services/Supports.

**Advance Notice**

Written notice advising the beneficiary of a decision to reduce, suspend or terminate Medicaid services that are currently being provided. This notice shall be provided, or mailed to, the Medicaid beneficiary at least 12 calendar days prior to the proposed date this action is to take effect or 30 calendar days in advance if customer is not a Medicaid beneficiary.

**Alternative Services**

A set of MDHHS approved flexible services that are offered to beneficiaries in lieu of Medicaid State Plan services, and for which Medicaid capitated funds may be used to pay under the authority of the Section (A) (1) (a) of the Social Security Act and approved for use via Michigan's 1915(b) waiver by the federal Centers for Medicare and Medicaid Services.

**Appeal**

Request for review of an "action" as defined above.

**Authorization of Services**

The processing of requests for initial and continuing service delivery.

**Beneficiary**

An individual who has been determined to be eligible for Medicaid and who is receiving or may qualify to receive Medicaid services through a PIHP/CMHSP.

**Expedited Appeal**

The expeditious review of an action, requested by a beneficiary or the beneficiary's provider, when the time necessary for the normal appeal review process could seriously jeopardize the beneficiary's life or health or ability to attain, maintain, or regain maximum function. If it is the beneficiary that is requesting the expedited appeal, the PIHP shall determine if the request is warranted. If the beneficiary's provider makes the request or supports the beneficiary's request, SWMBH and its participant CMHSP's shall grant the request.

**Fair Hearing (Administrative Hearing)**

Impartial State of Michigan level review of a Medicaid beneficiary's appeal of an action presided over by an MDHHS Administrative Law Judge.

**Grievance**

An expression of dissatisfaction by a provider or person receiving services regarding a perceived inequitable issue, aspects of interpersonal relation or other related issues.

**Grievance Process**

Impartial local level review of a beneficiary's grievance (i.e., expression of dissatisfaction) about service issues other than actions. Administrative Procedure [06.02\\_01 \(Grievance Systems\)](#) outlines the grievances processes/systems available to customers of KCMHSAS.

**Grievance System**

Federal terminology for the overall local system of grievance and appeals required for Medicaid beneficiaries in the managed care context, including access to the fair hearing process.

**Local Appeals Process**

Impartial local level review of a Medicaid beneficiary's appeal of an action presided over by individuals not involved with decision-making or previous level of review.

**Medicaid Services**

Services provided to the beneficiary under the authority of the Medicaid State Plan, Habilitation Services and Support Waiver, and/or Section 1915(b) (3) of the Social Security Act.

**Notice of Disposition Resolution**

Written statement of a decision for each local appeal and/or grievance, provided to the beneficiary.

**POLICY**

The term "Grievance system" as used in federal regulations refers to the overall system for Medicaid beneficiary grievances and appeals, required in the Medicaid managed care context. Conceptually, the grievance system divides beneficiary complaints into two categories, those challenging an action, as defined in this document, and those challenging anything else. A challenge to an action is called an appeal. Any other type of complaint is considered a grievance.

This policy will apply to both Medicaid and non-Medicaid beneficiaries who may be applicants for service or receiving on-going KCMHSAS services. KCMHSAS has been delegated responsibility (by the Pre-Paid Inpatient Health Plan [PIHP] of Southwest Michigan Behavioral Health [SWMBH]) for the local process for addressing grievances and appeals as filed by an individual receiving services. Additionally, KCMHSAS is

solely responsible for authorization decisions and for the grievance and appeals process for persons receiving services who do not have Medicaid.

## STANDARDS

- I. KCMHSAS is working under a delegation agreement with the PIHP of SWMBH. KCMHSAS functions and roles are described in the agreements.
- II. KCMHSAS may contractually require a portion of the responsibility for the Grievance System to a provider entity. To ensure that a consistent and equitable process is used throughout network, KCMHSAS will require that the entity adhere to the same standards and criteria as KCMHSAS, and will provide oversight of the contractual activities. Specific roles/functions of KCMHSAS will include:
  - A. Any educational materials or documents including the Customer Handbook that are created will be made available by all persons receiving services of the SWMBH network. As a member of SWMBH, KCMHSAS will be responsible for coordinating distribution of documents as necessary and required by the function to the KCMHSAS provider network.
  - B. As a participant of the SWMBH network, KCMHSAS and all service providing agencies will be responsible to provide assistance to persons receiving services and their authorized representatives in the filing and processing of any activity as it is part of sections, III, IV, or V below.
  - C. KCMHSAS will provide training to staff of KCMHSAS and its provider network as outlined in training policy guidelines. Specific to the topics of this policy, training materials may be produced in conjunction with SWMBH and/or signed-off by SWMBH as providing details for staff to meet the standards of this policy and reference materials.

## III. Grievance and Appeal Processes

- A. KCMHSAS will be responsible to meet the standards and guidelines of the federal and state requirements as outlined in both SWMBH policy 6.4 and the MDHHS “GRIEVANCE AND APPEAL TECHNICAL REQUIREMENT PIHP GRIEVANCE SYSTEM FOR MEDICAID BENEFICIARIES (located within the [MDHHS Contract](#) attachment P6.3.1.1)” to address a grievance or appeal filed at the local level (i.e., filed to KCMHSAS as the authorizing entity for the services). KCMHSAS will utilize SWMBH produced template letters for communication to persons receiving services at the time a grievance and/or appeal is filed and when the event is resolved (acknowledgment and disposition letters) (see procedure [06.02\\_01\[Grievance Systems\]](#)).
- B. Medicaid “Action Notice” documents to be used throughout SWMBH to communicate service Actions to persons receiving services may be developed by

KCMHSAS with approval by SWMBH. When necessary, SWMBH will provide training in the use of the documents to KCMHSAS designated staff and KCMHSAS staff will offer and monitor training regarding the utility of Action Notices locally. KCMHSAS will provide monitoring of document utilization and consultation as requested. Clinicians responsible for completing Person-Centered Plans will be responsible for providing Notice documents as necessary (see procedure [06.02\\_02 \[Providing Notice of Appeal Rights\]](#)), and as decisions are made by authorizing entity, Notice will be provided by a representative of the authorizing entity (i.e., an Access delegated representative).

- C. SWMBH will provide direction and oversight of all appeals filed to the Michigan Administrative Hearing System (Administrative Fair Hearings) by Medicaid/Healthy Michigan Plan or other specific service beneficiaries as appropriate. The Fair Hearing process will be managed by the SWMBH with coordination occurring with KCMHSAS. All agencies of the network will provide assistance to the SWMBH Fair Hearing Officer(s) as requested per each individual case.

#### **IV. Recipient Rights Complaint Process**

Medicaid and Non-Medicaid beneficiaries receiving mental health services, have rights to file Recipient Rights complaints under the authority of the State Mental Health Code. Recipient Rights complaints are addressed by the local CMH Office of Recipient Rights office. The ORR will open and investigate complaints as outlined in ORR program requirements. Persons receiving KCMHSAS services may address their issues within both the established grievance systems and KCMHSAS ORR.

#### **V. Second Opinion Process**

Medicaid and Non-Medicaid beneficiaries have rights to a Second Opinion review under authority of the State Mental Health Code. The Second Opinion review process may be requested for denial of Inpatient Hospitalization and for denial of KCMHSAS services, under sections 409 and 705 of the Michigan Mental Health Code. The process of notification of right to a second opinion is delegated the local CMH office the function of performing the Second Opinion lies with the KCMHSAS Chief Executive Officer (CEO) for all Medicaid beneficiaries. Contact with the persons receiving services is managed by the Customer Services office as the designee of the CEO...

Please see procedure [06.02\\_03 \(Second Opinions Regarding Denial of Services\)](#) for details of how second opinions will be addressed by KCMHSAS.

#### **VI. Reporting Requirements**

The KCMHSAS Customer Services office shall monitor, track and trend all denials, fair hearing, grievance and appeals and second opinion requests and dispositions. KCMHSAS will monitor local activity through reports shared and reviewed by the Kalamazoo

Quality Improvement Council (KQIC). Data will be reported in conjunction with SWMBH reporting requirements for affiliation-wide reports and as CMH-specific data for local planning purposes.

## REFERENCES

- Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program; Attachment P.6.3.2.1
- Delegation agreements and contracts with SWMBH and KCMHSAS
- [Southwest Michigan Behavioral Health Policies](#)
  - 6.4 (Customer Grievance Systems)

## EXHIBITS

- A. Adverse Benefit Determination – Medicaid ([English](#), [Spanish](#))
- B. Action Notice and Review Rights – Non-Medicaid ([English](#), [Spanish](#))