

**MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
Behavioral Health and Developmental Disabilities Administration**

MDHHS APPEAL PROCESS FOR COMPLIANCE EXAMINATION DECISIONS

The following process shall be used to appeal the MDHHS management decisions relating to the Compliance Examinations that are required in Section 39.0 of the Master Contract.

STEP 1: MANAGEMENT DECISION

The MDHHS Bureau of Audit, Reimbursement, and Quality Assurance:

The MDHHS shall issue to the PIHP and/or the CMHSP a management decision on findings, comments, and examination adjustments contained in the PIHP and/or the CMHSP examination report, within **eight (8) months** after the receipt of a complete and final Compliance Examination. The management decision will include whether or not the examination finding or comment is sustained; the reasons for the decision; the expected PIHP and/or the expected CMHSP action to repay disallowed costs, make financial adjustments, or take other action; and a description of the appeal process available to the PIHP and/or the CMHSP.

STEP 2: SETTLEMENT AND DISPUTE OF FINDINGS AND QUESTIONED COSTS

The PIHP and/or the CMHSP:

Within **30 days** of the PIHPs and/or the CMHSPs receipt of the management decision:

- A. Submits payment to the MDHHS for amounts due other than amounts resulting from disputed items; and
- B. If disputing items:
 - i. Requests a conference with the Director of the Operations Administration, or his/her designee, to attempt to reach resolution on the audit findings, or files an appeal pursuant to MCL 400.1, et seq. and MAC R400.3402, et seq. as specified in ii. below.

Any resolution because of a conference with the Director of the MDHHS Operations Administration would not be binding upon either party unless both parties agree to the resolution reached through these discussions. If the parties agree to a resolution, the terms will be reduced to a written settlement agreement and signed by both parties. If no resolution is reached, then there will be no obligation on the part of the MDHHS to produce a report of the conference process.

Matters that remain unresolved after these discussions would move to the appeal process, at the discretion of the PIHP and/or the CMHSP.

Administrative Hearing process:

- ii. Submits an appeal pursuant to MCL 400.1, et seq. and MAC R 400.3401, et seq. This process will be used for all PIHP and/or CMHSP disputes involving Compliance Examinations whether they involve Medicaid funds or not. Requests must identify the

specific item(s) under dispute, explain the reason(s) for the disagreement, and state the dollar amount(s) involved, if any. The request must also include any substantive documentary evidence to support the position. Requests must specifically identify whether the agency is seeking a conference with the Director of the Operations Administration, an internal conference, or an administrative hearing.

To request an internal conference, submit a written request within **30 days** of the receipt of the management decision to:

MDHHS Appeals Section
P.O. Box 30807
Lansing, MI 48909

To request an administrative hearing, submit a written request within **30 days** of receipt of the management decision to:

Michigan Administrative Hearing Systems
Michigan Licensing and Regulatory Affairs
P.O. Box 30763
Lansing, MI 48909

If the MDHHS does not receive an appeal within **30 days** of the date of the management decision, the management decision will constitute the MDHHS Final Determination.

- C. Provides copies of the request for the Medicaid Provider Reviews and Hearings Process to the MDHHS Bureau of Audit, Reimbursement, and Quality Assurance, the MDHHS Contract Management, and the MDHHS Accounting.

The MDHHS Accounting:

- 2. Implements the adjustments as outlined in the management decision if the PIHP and/or the CMHSP has not requested a conference with the Director of the Operations Administration or the Medicaid Provider Reviews and Hearings Process within the timeframe specified. If repayment is not made, recovers funds by withholding future payments.

The MDHHS Contract Management Unit:

- 3. Ensures the audited PIHP and/or the audited CMHSP resolves all findings in a satisfactory manner. Works with the audited PIHP and/or the audited CMSHP on developing performance objectives, as necessary.

STEP 3. MEDICAID PROVIDER REVIEWS AND HEARINGS PROCESS

The MDHHS Appeals Section:

Follows the rules contained in MAC R 400.3401, et seq. and various internal procedures regarding meetings, notifications, and decisions.