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Management & Budget*  
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## County of Financial Responsibility (COFR)

### POLICY

It is the policy of Detroit Wayne Mental Health Authority (DWMHA) that determination of the County of Financial Responsibility (COFR) shall follow the rules and principles outlined in the current COFR Technical Requirement for CMHSPs contained in the MDHHS/CMHSP Managed Mental Health Supports and Services Contract (attachment C1.3.1); and section 306 of the Michigan Mental Health Code.

### PURPOSE

The purpose of this policy is to operationalize the COFR Technical Requirements within the DWMHA network. This includes outlining the process for determination of the financial responsibility when a DWMHA individual is seeking or is receiving specialty mental health services in other PIHPs or individuals from other PIHPs is seeking or receiving services within the DWMHA service area.

### APPLICATION

1. The following groups are required to implement and adhere to this policy: DWMHA staff, DWMHA Contractual staff, DWMHA direct contract Provider staff, Access Center staff, MCPN staff, MCPN Provider Network staff.
2. This policy serves the following populations: Adults and Children diagnosed with: I/DD, SMI, SED, SUD, and Autism.
3. This policy impacts the following contracts/service lines: Medicaid, SUD, Autism, Grants, and General Fund.

### KEYWORDS

1. Clinically Responsible Service Provider (CRSP): A service provider within a MCPN's provider network that has primary responsibility to coordinate a member's services or to provide targeted case management services.
2. Community Mental Health Service Program (CMHSP): A governmental entity formed under Act 258 of the Public Acts of 1974.
3. County of Financial Responsibility (COFR): The County (which is in the service area of a CMHSP) which is determined to be financially liable for the cost of specialty mental health services provided to a member.

4. Dependent Living Setting: Includes all of the following:
  - a. A licensed adult foster care facility, including specialized and non-specialized homes.
  - b. A nursing home licensed under article 17 of the Public Health Code, 1978 PA 368, MCL 333.20101 to 333.22260.
  - c. A home for the aged.
  - d. Unlicensed residential settings where the individual's level of care and intensity of service required is equivalent to a Dependent Living Setting. For the purpose of determining COFR, equivalency to a Depend Living Setting shall be established when the individual's Person-Centered Plan or Individualized Plan of Service or Treatment Plan provides for the provision of eight or more hours of specialized services or supports in the residence each day. The eight or more hours of specialized services or supports may consist of both those funded by the CMHSP as well as those provided without cost to CMHSP by Natural Support persons.
5. In-County Placement: When an individual from another county temporarily moves in Wayne County due to the unavailability of services in their home PIHP/CMH provider network.
6. Inbound COFR: A situation where an individual who is served by another PIHP/CMHSP desires to move into Wayne County and who is eligible to receive specialty mental health supports and services from the DWMHA network. In this situation the other CMH (aka "Home County") is financially responsible for the individual's services.
7. Independent Living: Unlicensed residential settings are generally considered to be independent living, except as noted above in "3. Dependent Living Setting." The location in which the person is residing and is intended to be permanent" ("non-transient").
  - a. For example, The location in which the person resided prior to moving into a county that was not a boarding school, a facility or a dependent living setting as defined in the Mental Health Code, section 306. Residing in a shelter or in a motel/hotel which is rented by the day or week, or living in a vehicle is not considered living independently. Likewise, placement in a half-way house upon release from jail or prison is not considered living independently.
8. Individualized Plan of Service (IPOS): An individualized plan of services as defined by the Michigan Mental Health Code and Administrative Rules and may also be referred to this policy as a treatment plan, plan of service, service plan or a person-centered plan.
9. Legal Custody: Custodial parent or legal Guardian where the child is currently maintaining residence.
10. Manager of Comprehensive Provider Network (MCPN): An organization under contract to DWMHA with the responsibility to administer a comprehensive network of service providers which is sufficient to meet all the service needs of the assigned members.
11. Member: An individual who has applied for or who receives medically necessary, specialty mental health supports and services from the DWMHA network, including directly contracted service providers, MCPNs, and service providers within the MCPN networks. Members may also be referred to as "Consumer", "Client" or "Recipient".
12. Natural Supports: Specialized services or supports that are documented in the individual's Person-Centered Plan or Individualized Plan of Service or Treatment Plan and that are provided at no cost in an unlicensed residential setting by family members, spouse, other relatives, friends or neighbors.
13. Outbound COFR: A situation where an individual who is served by the DWMHA network desires to move to another county served by another PIHP/CMHSP (aka, "Serving County") and who is eligible to receive

specialty mental health supports and services from the other PIHP/CMH. In this situation DWMHA is financially responsible for the individual's services.

14. Out-of-County Placement: When a member temporarily moves to another county due to the unavailability of services in the DWMHA network. The member's MCPN contracts with, authorizes services and pays the out-of-county service providers while the MCPN works to develop the unavailable services in their provider network.
15. Prepaid Inpatient Health Plan (PIHP): The MDHHS contract model for Medicaid funding. It currently requires a minimum of 50,000 Medicaid enrollees in the service area. Currently only Macomb, Oakland and Wayne counties have enough Medicaid enrollees so that their CMHSPs can also be stand-alone PIHPs. In other parts of the state, several CMHSPs must form a regional affiliation in order to meet the PIHP contract requirements.
16. Serving Community Mental Health Service Program: The CMHSP that is providing services for an individual residing in their service area and that is not financially responsible for the individual's services.
17. Voluntary Move: When a member or the member's guardian, voluntarily expresses the desire to relocate to a residence outside of Wayne County and expresses the intent to be part of and remain in the new community. This request is not due to services being unavailable within the DWMHA network. This will result in an Outbound COFR case.

## STANDARDS

1. DWMHA will ensure that all DWMHA direct contract Service Providers, including the DWMHA Access Center, all MCPNs and the service providers within the MCPN's networks will follow the requirements of the COFR Technical Requirements for CMHSPs in the current MDHHS/CMHSP Managed Mental Health Supports and Services contract, Attachment C1.3.1., as well as the requirements of this policy.
2. DWMHA will ensure that all DWMHA direct contract service providers, including the DWMHA Access Center, all MCPNs and the service providers within the MCPNs' networks will provide mental health services to all eligible individuals, based on medical necessity, without delay resulting from issues of County of Financial Responsibility.
3. The DWMHA has implemented a COFR Committee to centralize the review and determination of County of Financial Responsibility for all potential COFR cases in our network, both Inbound and Outbound. The DWMHA COFR Committee has an e-mail address to be used exclusively for the notification of potential COFR cases: "cofr@dwmha.com".
  - a. The determination of COFR status will be made by the DWMHA COFR Committee according to the current COFR Technical Requirements and this Policy.
  - b. The DWMHA COFR Committee will meet on a regular basis.
  - c. The MCPNs, the DWMHA Access Center and any DWMHA direct contract service providers that make eligibility determinations are required to notify the DWMHA COFR Committee of any potential COFR cases as well as any Out-of-County Placements and In-County Placements, within one business day of learning of these cases.
  - d. Outbound COFR / Voluntary Move: When a member or their legal guardian desires to move their residence to another county for any reason (except for the unavailability of services in Wayne County), the CRSP will inform the assigned MCPN of the desired move. The MCPN will notify the

DWMHA COFR Committee of the member's desire to move to another county and of the potential Outbound COFR case. In addition to this required notification, the following steps will be taken:

1. The CRSP will update the member's IPOS to document their desire to move to another county and to document the current average number of hours per day of Natural Supports that the individual receives, if any.
  2. The CRSP will assist the member, as needed, with contacting the Access department of the CMHSP that serves the destination county.
  3. If the DWMHA COFR Committee determines that DWMHA is financially responsible for the member's services in the other county, the member's assigned MCPN will enter into a service contract with the serving CMHSP in order to pay for the member's services. The MCPNs will give deference to the serving CMHSP and, per the negotiated service contract, allow them additional time to submit claims to the MCPN than the MCPN's standard claims submission timeframe. This service contract will terminate when DWMHA has executed a COFR contract with the serving PIHP/CMHSP, and as specified in the COFR contract.
  4. DWMHA will work to negotiate a COFR contract with the serving PIHP/CMHSP to formally transfer financial responsibility from DWMHA to the serving PIHP/CMHSP (see Standards, section 4 below). This COFR contract may include a cost settlement payment to the serving PIHP/CMHSP in lieu of ongoing service payments through the MCPN's service contract.
- e. Out-of-County Placement: When a MCPN lacks the ability to provide medically necessary services, as identified in a member's IPOS, within their service provider network in Wayne County, these services will be considered to be "unavailable", per section II C of the CORF Technical Requirements.
1. The MCPN will notify the DWMHA COFR Committee of the unavailability of services within their network and of the pending out-of-county placement.
  2. The MCPN will identify service providers outside of Wayne County and enter into a short-term service contract with the out-of-county service providers. The out-of-county service provider may include another CMHSP, if necessary.
  3. The MCPN will authorize services and pay for those out-of-county services for the shortest period of time as possible.
  4. The MCPN will develop the unavailable services within their provider network in Wayne County as quickly as possible, but not longer than 90 days from the date of the out-of-county placement.
  5. Once the formerly unavailable services have been developed within the MCPN's provider network in Wayne County, the member shall be moved back to Wayne County.
  6. If the member or their legal guardian wishes to remain in the other county, then the situation will be considered a voluntary move (see Standards, section 3.d above).
- f. Inbound COFR: The DWMHA Access Center will determine if a person seeking services has received services from another PHIP/CMHSP prior to applying for services in Wayne County. If so, they will notify the DWMHA COFR committee of a possible Inbound COFR case.
1. If the DWMHA COFR Committee determines that another PIHP/CMHSP is financially responsible for the member's services in Wayne County, the member's assigned MCPN will enter into a service contract with the home CMHSP in order to receive payment for the member's services within their network. This service contract will terminate when DWMHA has

executed a COFR contract with the home PIHP/CMHSP, and as specified in the COFR contract.

2. DWMHA will work to negotiate a COFR contract with the home PIHP/CMHSP to formally transfer financial responsibility from the home PIHP/CMHSP to DWMHA (see Standards, section 4 below). This COFR contract may include a cost settlement payment from the home PIHP/CMHSP to DWMHA in lieu of ongoing service payments to the MCPN's per the service contract.
- g. In-County Placement: If another PIHP/CMHSP contacts the DWMHA Access Center or any DWMHA direct contract service provider, or contacts a MCPN or any service provider in the MCPN network, regarding the need for a temporary in-county placement, then the MCPN or Access Center or DWMHA direct contract provider will notify the DWMHA COFR committee of the pending in-county placement. In addition to this required notification, the following items will apply:
  1. The other PIHP/CMHSP may be referred to an appropriate MCPN to receive a list of local service providers or a list of providers in the MCPN's provider network.
  2. The other PIHP/CMHSP may enter into a short-term service contract with service provider(s) within the DWMHA network, unless otherwise prohibited.
  3. The other PIHP/CMHSP is responsible for the authorization of services and will directly pay the service provider those services.
  4. An individual served through a temporary in-county placement is not a member of the DWMHA network.
  5. The individual's information shall not be entered into the DWMHA information system.
  6. The individual shall not be assigned to a MCPN; nor shall a MCPN be reimbursed by DWMHA for any administrative services attributed the individual.
4. If a COFR contractual arrangement is agreed upon by the two PIHPs/CMHSPs, the contract shall include the plan for permanent transfer of financial responsibility, which is in compliance with the conditions described in paragraph "K. Contract Arrangements" of the current COFR Technical Requirements. Such a contract should take into consideration the Medicaid funding re-basement process by MDHHS and be documented in the member's Person-Centered Plan/IPOS.
5. In the event there is an unresolved COFR dispute between PIHPs/CMHSPs, either party may request involvement of the Community Mental Health Association of Michigan's (CMHAM) Dispute Resolution Committee to resolve the dispute. DWMHA will abide by the decision made by the committee.

## **QUALITY ASSURANCE/IMPROVEMENT**

DWMHA shall review and monitor contractor adherence to this policy as one element in its network management program, and as one element of the QAPIP Goals and Objectives.

The quality improvement programs of MCPNs, their subcontractors, and direct contractors must include measures for both the monitoring of and the continuous improvement of the programs or processes described in this policy.

## **COMPLIANCE WITH ALL APPLICABLE LAWS**

DWMHA staff, MCPNs, contractors, and subcontractors are bound by all applicable local, state and federal laws, rules, regulations and policies, all federal waiver requirements, state and county contractual

requirements, policies, and administrative directives, as amended.

## **LEGAL AUTHORITY**

1. P.A. 258 Michigan Mental Health Code, Section 306
2. MDHHS CMHSP Contract, specifically attachment C1.3.1 FY 18 and any amendments in succeeding years
3. Michigan Mental Health Code ( Act 258 of 1974 as amended) MCL.330.1700.1712, 1100a.
4. MDHHS Medicaid Provider Manual
5. WSA Technical Assistance Manual CWP

## **RELATED POLICIES**

1. Individual Plan of Service/Person Center Planning
2. Medicaid Fair Hearings
3. Medicare Redetermination/Local Appeals
4. Denial of Service Policy
5. Utilization Management (UM) Provider Appeals Policy

## **RELATED DEPARTMENTS**

1. Administration
2. Children Services
3. Claims Management
4. Clinical Practice Improvement
5. Compliance
6. Customer Service
7. Information Technology
8. Integrated Health Care
9. Legal
10. Managed Care Operations
11. Management & Budget
12. Purchasing
13. Quality Improvement
14. Recipient Rights
15. Substance Use Disorders
16. Utilization Management

# CLINICAL POLICY

NO

# INTERNAL/EXTERNAL POLICY

EXTERNAL

## Attachments:

[COFR for Children Memo 8-9-17.pdf](#)  
[MDHHS/CMHSP FY18 Contract Attachment c1.3.1 COFR.pdf](#)

## Approval Signatures

**Approver**

**Date**

Dana Lasenby: Acting Chief Executive Officer

03/2018

COPY






STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

NICK LYON  
DIRECTOR

August 9, 2017

**TO:** Executive Directors of Prepaid Inpatient Health Plans (PIHPs) and  
Community Mental Health Services Programs (CMHSPs)  
Business Service Center Directors and Child Welfare County Directors of Michigan  
Department of Health and Human Services (MDHHS)

**FROM:**  Thomas J. Renwick, Director  
Bureau of Community Based Services  
Behavioral Health and Developmental Disabilities Administration

 Stacie Bladen, Deputy Director for Policy and Programs  
Children's Service Agency

**SUBJECT:** County of Financial Responsibility (COFR) for Children

Children in foster care with behavioral health issues and children with intellectual developmental disabilities (including autism) need to be able to access support, services and treatment in a timely manner. In an effort to further that goal and our partnership and system work between mental health and child welfare, changes have been made via amendment to the contract attachment C1.3.1, COUNTY OF FINANCIAL RESPONSIBILITY Technical Requirement for CMHSPs, of the FY17 agreement between the MDHHS and CMHSPs for Managed Mental Health Supports and Services. These changes will assist us in our work to maintain and stabilize children in foster care until they are able to be reunified or achieve permanency. In addition, providing timely services to children in foster care in the community may alleviate the need for more restrictive placement settings as well as support timely transition to the community for children exiting residential treatment.

Please see the amended contract language below regarding COFR for children:

## II. ESTABLISHING COUNTY OF RESPONSIBILITY

### B. Children.

The COFR will be the county where the child and parents have their primary residence. For temporary and permanent wards of the State or court (including tribal), is the county where the child currently resides in the community (i.e. licensed foster care home, relative placement or independent living) as long as the foster care case remains open. For adopted children, once adoption proceedings are completed, the COFR is the county where the adoptive parents have their primary residence.

The COFR changes do not impact any COFR arrangements currently in place that may continue until such time as the child's need for services ends as opposed to when a specific authorization period or a



Executive Directors of Prepaid Inpatient Health Plans (PIHPs)  
Community Mental Health Services Programs (CMHSPs)  
Directors of MDHHS County Offices and Business Service Centers  
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time limited COFR agreement between two CMHSPs ends. The goal would be that there is no disruption in service to the child. The change is effective immediately for new situations involving children needing services from CMHSPs who are temporary or permanent wards of the state or court (including tribal) who are residing in the community in foster care, relative placement or independent living.

COFR contract changes DO apply to children in foster care that are newly enrolled in the Serious Emotional Disturbance Waiver (SEDW) within the participating CMHSP counties where the child resides.

We encourage continued collaboration between CMHSPs and MDHHS to establish processes that identify children in foster care who need support, services and treatment at the initial placement so these children can receive services at the earliest opportunity.

For CMHSP or PIHP specific questions related to the COFR language, please contact John Duvendeck at [DuvendeckJ@michigan.gov](mailto:DuvendeckJ@michigan.gov).

For specific questions related to the SED Waiver, please contact Angelo Powell at [PowellA8@michigan.gov](mailto:PowellA8@michigan.gov).

c: John Duvendeck  
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Sheri Falvay  
Kim Batsche-McKenzie  
Belinda Hawks  
Audrey Craft  
Mary Chaliman  
Angelo Powell

## **COUNTY OF FINANCIAL RESPONSIBILITY Technical Requirement for CMHSPs**

### **I. INTRODUCTION**

Lack of statutory clarity with respect to establishing County of Financial Responsibility (COFR) has, in some cases, resulted in delays of appropriate services to consumers, protracted disputes and inconsistency of resolution across the state. This is particularly true for consumers who have never received services from a state operated facility and for whom financial responsibility is thus not addressed directly by Chapter 3 of the Mental Health Code. CMHSPs are statutorily responsible for serving persons 'located' in their jurisdiction even when responsibility for payment is in question. This technical requirement provides a contractual basis for determining County of Financial Responsibility and a process for resolving disputes, regardless of funding source.

This technical requirement is based on the following principles:

- Consumers have a right to choose where they live, unless restricted by court order.
- Consumer requests for particular providers, regardless of location, must be considered within the person centered planning process.
- Capitation payments are intended to be a means of funding PIHPs to provide defined benefits to eligible beneficiaries within a system of services. As such, they are not intended as payment for services to any identified individual consumer. Therefore, this Requirement assumes that the receipt of a PEPM payment should not be considered in determining the COFR, nor is specific consideration of the amount of a PEPM a factor in determining the obligation to pay of the COFR.
- Funding for persons served through the Habilitation Services (1915-C) Waiver is intended to support services to named individuals. Thus, such funding should be considered when determining the payment obligation of a COFR when the consumer is served outside the COFR.
- Consumers served according to the terms of this contract must be provided appropriate service without delay resulting from issues of financial responsibility. Community Mental Health Services Programs/Prepaid inpatient Health Plans will act ethically to provide service to consumers meeting eligibility requirements when the COFR is disputed.

### **II. ESTABLISHING COUNTY OF RESPONSIBILITY**

- A. General Rule.** For persons served under the terms of this contract, the financially responsible CMHSP is the one that served them in the county where they last lived independently.
- B. Children.** The COFR will be the county where the child and parents have their primary residence. For temporary and permanent wards of the State or court (including tribal), the COFR is the county where the child currently resides in the community (i.e. licensed foster care home, relative placement or independent living) as long as the foster care case remains open. For adopted children, once

adoption proceedings are completed, the COFR is the county where the adoptive parents have their primary residence.

In the case of divorced parents, the COFR is the county in which the parent with legal and physical custody resides. If the parents have joint legal and physical custody, the COFR is the county of residence of the parent with whom the child lives while attending school.

In the case of a child placed by parents into the custody of a legal guardian with authority to consent, the COFR is the county in which the guardian resides, for the period of the placement. If the parent(s) place the child into the custody of another adult without guardianship, the COFR remains the county where the parent with legal and physical custody resides.

In the case of a voluntary placement of a child by parents into a 24-hour dependent care facility funded by a CMHSP, the COFR is the residence of the parent with legal and physical custody at the time of placement. If the parent(s) move during the placement, upon the children's discharge, the COFR is the county in which the parent with legal and physical custody resides.

A child who is legally emancipated, or reaches age 18, and establishes an independent residence shall be considered a resident of the county where he or she resides. A child who is discharged from a dependent care setting upon reaching age 18, and who is not a ward of the court, and establishes an independent residence shall be considered a resident of the county of that residence. The General Rule (A above) shall apply to a child who attains adult status by reaching the age of 18 or through legal emancipation when discharged into a new dependent setting, or when that adult chooses to remain in the same dependent setting, so long as that individual is no longer a ward of the court.

**C. Adults.** Consumers have the right to choose where they live, unless restricted by a court order.

- The choice shall be considered to be the consumer's/guardian's choice when it is not instigated or facilitated by a service manager or provider. Assistance by service managers or providers in a County to notify another County of the consumer's decision to move shall not be determined to be facilitation of the choice.

When a consumer, who is living dependently, chooses to relocate from County A to County B into a dependent living situation, the COFR shall remain the county in which he/she last lived independently.

When a consumer relocates to a dependent setting in County B from an independent setting in County A, County A shall remain the COFR, under any of the following circumstances:

- There is an existing agreement between County A and County B; or

- County A has continued to provide and pay for Mental Health Services; or
- The consumer requests services from County B within 120 days of relocation

When the CMH (including direct or contracted service providers), or MDHHS office initiates and facilitates the relocation of an adult consumer from County A to County B, County A shall remain the COFR.

When the consumer and/or his/her family wishes to obtain services in county B because services in County A have been determined to be unavailable through a Person-Centered Planning process, County A remains the COFR, with responsibility to authorize and pay for the service, if that service meets eligibility guidelines utilized by County A.

**D. Persons Living in Unlicensed Settings.**

Unlicensed settings are generally considered to be independent living. The COFR is the CMHSP serving the county where the residence is located. If the consumer's Level of Care and Intensity of Service required is equivalent to a dependent living setting, the consumer shall be considered to be in dependent care for the purposes of COFR. Equivalency to dependent care shall be established when the individual's Person Centered Plan provides for provision of eight or more hours of specialized services and/or supports in the residence each day.

**E. Provision of Specialized Mental Health Treatment Services to Persons in Nursing Homes.**

For provision of OBRA Specialized Services, the COFR is the county in which the nursing home is located. For mental health services which are not specialized, financial responsibility shall be assigned as in A. above.

**F. Jail.**

CMHSPs are responsible to provide mental health services to their local county correctional facilities (jails) on the same basis as they provide services to other persons located in their geographical jurisdiction. CMHSPs shall work with Jail personnel to ensure that all reimbursements for health services are pursued, including the county's (not the CMHSP's) responsibility to pay for the costs of health care. If a jailed individual requires State provided inpatient care, the COFR shall be the COFR prior to the individual entering jail. When an individual is released from jail and establishes an independent residence in the county of the jail, the COFR shall be the county in which the residence is located. If the person is released into a dependent setting, the COFR shall be assigned according to the General Rule (A. above).

**G. State Correctional Facility.**

When an individual is released, at the end of his/her sentence or on Parole, the COFR shall be the County in which the individual last lived independently prior to entering the correction facility, under the following circumstances:

- The individual has been receiving *specialized* mental health services in Prison, and is determined to have a continued and immediate need for services; or
- The individual requests specialized services, or is involuntarily committed for specialized services within 30 days of release AND
- Meets the eligibility standards for Medicaid or access standards of the CMHSP for GF funded services.

**H. Extent of Financial Liability.**

The County which is financially responsible shall pay the full cost of authorized services provided beginning on the date the consumer enters the service system.

It is the responsibility of the serving CMHSP to notify the CMHSP which is, or may be determined under this requirement to be, the COFR that a consumer has initiated a request for service or has been served in a crisis situation. Should the consumer's clinical condition prohibit gathering of information to determine COFR, the COFR's liability shall be limited to 30 days prior to notification by the serving board.

**I. Standard for Response by COFR.**

Upon notification that a consumer has requested services outside its jurisdiction, the COFR shall respond to a request by the servicing Program/PHP within the Access Standard timelines for all consumers, as specified in this contract.

**J. PEPM Payments/Medicaid Residency Status.**

Serving CMHSPs shall work to change Medicaid Residency Status, and the corresponding PEPM payment, where appropriate. However, Medicaid Residency status, and the PIHP receiving the capitated payment are not determining factors in establishing COFR.

**K. Contractual Arrangements.**

Nothing in this Requirement precludes a contractual arrangement between CMHSPs/PIHPs which specifies conditions, standards, or protocols other than those contained in this document, so long as those provisions are consistent with statute and regulation and do not violate provisions found elsewhere in this contract. When such arrangements provide for the permanent transfer of responsibility, the following conditions must be met.

1. It is optional; all parties agree to the arrangement
2. It applies to adult consumers only
3. The contract applies to consumers who are in stable, long-term living arrangements outside their 'home' CMHSP, without plans to move
4. The principles underlying the COFR agreement remain intact, including the consumer's right to choose
5. The consumer's service array, based on needs assessment and consumer choice will not be altered as a function of this contract

6. For HSW enrollees, the HSW certificate will be transferred upon MDHHS receipt of documentation from both the 'home' and the 'serving' PIHPs with an effective date of transfer
7. The end date of the contract is the beginning of the fiscal year when the capitation rate of the 'serving' county includes the costs reported

### **III. DISPUTE RESOLUTION**

Good faith efforts to resolve disputes, utilizing principles of ethical conduct, and the standards contained in this document must be made prior to initiating this Dispute Resolution process. In order to facilitate informal dispute resolution, each CMHSP/PHSP shall provide the name of a responsible contact person to the manager of this contract and to the MACMHB for publication on its website. This good faith effort shall include documented notification of the Executive Director of each CMHSP regarding the known facts and areas of disagreement within two business days of identification of the disagreement.

When formal Dispute Resolution is required, the following process shall be used:

#### **A. Dispute Resolution Committee.**

A COFR Dispute Resolution Committee, consisting of three persons, shall be constituted annually, at the beginning of the fiscal year. One person shall be appointed by MDHHS and two shall be appointed by the MACMHB. Vacancies on the committee shall be filled within ten days. The Committee shall appoint its chair by consensus. The MACMHB shall appoint a third person who will serve as an alternate representative in cases which would present a conflict of interest for one of the regular representatives.

#### **B. Initiation of Dispute Resolution.**

Either party may initiate dispute resolution by notifying the MACMHB and the MDHHS Contract Manager identified in this contract in writing.

#### **C. Fact Finding.**

The MACMHB shall notify each Board/PIHP, and all members of the Dispute Resolution Committee, within three business days of receiving notification, that a formal dispute has been received. Each CMHSP shall respond to MDHHS and the MACMHB, with a copy to the other CMHSP/PIHP, within three business days with a written response, including

- The facts as each entity sees them;
- The rationale for their position, including documents to support their position. In cases involving a child who is a ward of the court, documents must include a court order which establishes the 'court of record/jurisdiction'. Additional documents may be presented at the hearing.

#### **D. Dispute Resolution Meeting.**

The Dispute Resolution Committee will designate a time and place for a resolution meeting, which will be held no later than 30 days following submission of the facts identified in B. above. At this time

- Each CMHSP's (or PIHP's in cases involving Medicaid) designated responsible representative will attend. Each representative will be provided an opportunity to make a verbal presentation regarding the case. Each CMHSP (PIHP) representative must be empowered by its CMHSP (PIHP) to negotiate a settlement of the dispute.
- Should a negotiated settlement not be reached at this meeting, the committee will meet, without others present, to arrive at a decision reached by majority vote of the Resolution Committee.
- The decision shall be reached, and conveyed to the disputing parties, on the day of the meeting.
- A record of each proceeding, including documentation of the facts and the decision, shall be kept by the MDHHS and by the MACMHB for public review.

#### **IV. DEFINITIONS**

**“Living Independently”.** The following factors will be used to determine whether a person is ‘living independently’:

- The location in which the person is residing is not transient. For example, residing in a motel or hotel which is rented by the day or week, without intent to remain in the community is not considered ‘living independently.’ Likewise, placement in a half-way house upon release from jail or prison is not considered ‘living independently’. Living in a vehicle is also not considered ‘living independently.’
- Migrant workers shall be considered the responsibility of the CMHSP in which they are housed.
- The intent of the individual to be part of the community shall be considered. For example, persons who are homeless, living on the street or in a shelter shall be considered part of the community, when the intent of the person is to remain in the community.
- The location in which the person resided prior to moving into a county was not a boarding school, a facility, or a dependent living setting as defined in the Mental Health Code and utilized in Section 306 thereof.

**Provider.** As used in Part II, C above, means a provider of specialized behavioral health services or a dependent living site regardless of whether such services are delivered under contract with a CMHSP/PIHP.