

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

MDHHS AUDIT REPORT AND APPEAL PROCESS

The following process shall be used to issue audit reports, appeal audit findings, and recommendations. Established time frames may be extended by mutual agreement of the parties involved.

STEP 1: AUDIT, PRELIMINARY ANALYSIS, AND RESPONSE

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

1. Completes an audit of the PIHP and holds an exit conference with the PIHP management.
2. Issues a preliminary analysis within **60 days** of the exit conference. The preliminary analysis is a working document and is not subject to Freedom of Information Act (FOIA) requests.

The Audited PIHP:

3. Requests a meeting with the MDHHS Bureau of Audit, Reimbursement, and Quality Assurance to discuss disputed audit findings and conclusions in the preliminary analysis within **10 days** of receipt of the preliminary analysis. Since the preliminary analysis serves as the basis for the final report, the PIHP shall take advantage of this opportunity to ensure that any factual disagreements or wording changes are considered before the final report is issued.

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

4. Convenes a meeting to discuss concerns regarding the preliminary analysis if a meeting is requested.

The Audited PIHP:

5. Submits to the MDHHS Bureau of Audit, Reimbursement, and Quality Assurance any additional evidence to support its arguments within **14 days** of the meeting with the MDHHS Bureau of Audit, Reimbursement, and Quality Assurance to discuss the preliminary analysis.

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

6. Revises and issues the preliminary analysis, as appropriate, based on factual information submitted at the meeting or other supporting documentation provided subsequent to the meeting within **30 days** of either the meeting to discuss the preliminary analysis or receipt of additional information from the PIHP, whichever is later

The Audited PIHP:

7. Submits a brief written response indicating agreement or disagreement with each finding and recommendation within **30 days** of receipt of the revised preliminary analysis. If there is any disagreement, the response shall explain the basis or rationale for the disagreement and shall include additional documentation, if appropriate. If there is agreement, the response shall briefly describe the actions to be taken to correct the deficiency and an expected completion date. Include responses on the Corrective Action Plan forms included in the preliminary analysis.
8. Submits a brief written response to each finding and recommendation as described in STEP 1, 7. above, if a meeting is not requested within **30 days** of receipt of the preliminary analysis.

STEP 2: FINAL AUDIT REPORT

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

1. Prepares and issues the final audit report incorporating the PIHPs paraphrased responses, within **30 days** of receipt of the PIHPs response to the preliminary analysis, as well as the Bureau of Audit, Reimbursement, and Quality Assurance responses, as deemed necessary.
2. Forwards the final audit report to the audited PIHP and other relevant parties. The letter, bound with the final audit report, describes the audited PIHPs appeal rights.

STEP 3: SETTLEMENT AND DISPUTE OF FINDINGS

The Audited PIHP:

1. Within 30 days of receipt of the final audit report:
 - A. Submits payment to the MDHHS for amounts due other than amounts resulting from disputed findings; and
 - B. If any disputed findings, appeals under MCL 400.1 et seq. and MAC R 400.340 1, et seq. This process will be used for all the CMHSP audits regarding the Specialty Service and Supports Contract whether they involve Medicaid funds or not. Requests must identify the specific audit adjustment(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 preliminary conference, a bureau 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, Michigan 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 letter transmitting the final audit report, the letter will constitute the MDHHS's Final Determination Notice, according to MAC R 400.3405.

- 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 final report if the PIHP has not requested the Medicaid Provider Reviews and Hearings Process within the time frame specified. If repayment is not made, recovers funds by withholding future payments.

The MDHHS Contract Management Unit:

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

STEP 4: MEDICAID PROVIDER REVIEWS AND HEARINGS PROCESS

The MDHHS Appeals Section:

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