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Owner	Kelly Myricks: SUD Initiatives Administrator
Policy Area	Substance Use Disorders
Applicability	Detroit Wayne Integrated Health Network
References	42 CFR Part 2, 42 CFR Part 440, MDHHS and DWIHN (PIHP) Contract + 2 more

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Substance Use Disorders Provider Sanctions Standard Operating Procedure

PROCEDURE PURPOSE

This procedure outlines how Detroit Wayne Integrated Health Network (DWIHN) will issue and manage sanctions for Substance Use Disorder (SUD) contracted providers who fail to meet contractual, regulatory, or performance requirements. It ensures consistency, fairness, and timely action to protect service quality and member safety.

EXPECTED OUTCOME

The development and implementation of the SUD Provider Sanctions Standard Operating Procedure will establish a consistent, transparent, and equitable framework for addressing provider non-compliance

across the SUD Provider Network. Successful implementation will result in the following outcomes: improved consistency and fairness, enhanced compliance and provider accountability, strengthened compliance program integrity, more effective Corrective Action Processes, greater protection for members, improved Data Tracking and Reporting, and streamlined internal workflows.

SCOPE

This standard operating procedure applies to all contracted providers delivering Substance Use Disorder services under DWIHN. It covers non-compliance in the following areas: Failure to complete Corrective Action Plans (CAP), Negative or failed Environmental/Facility Audits, Failure to submit required reports to DWIHN, Continuous poor performance reviews (Quality, Customer Service, Clinical Reviews, etc.), and Out of compliance with contractual obligations.

KEYWORDS

- **Corrective Action Plan (CAP)**: *A written plan created by a provider to address identified deficiencies within a required timeframe*
- **Sanction**: *Any corrective measure imposed by DWIHN, including warnings, technical assistance requirements, payment holds, suspension of referrals, contract amendment, or contract termination*
- **Non-Compliance**: *Any action or failure to act that violates DWIHN requirements, state or federal standards, or contractual terms*

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ROLES & RESPONSIBILITIES

1. DWIHN Quality Improvement Department
    A. Lead identification of issues and documentation
    B. Monitor remediation and CAP completion from Quality Reviews conducted
2. DWIHN Managed Care Operation Department
    A. Issue formal notices of deficiency and sanction letters
    B. Track compliance with contractual terms
3. Provider Agencies
    A. Respond to and to ensure completion of CAP requirements
    B. Execute all required remediation measures
    C. Submit reports and documentation in a timely manner. The provider agency's responsibility is to ensure all required documentation for audits and CAPs are easily accessible and reviewable.

PROCEDURE

1. **Identification of Non-Compliance —** When a concern is identified through audits, reports, reviews, or monitoring activities, the responsible DWIHN department documents the issue using standard DWIHN findings templates. Documentation must include:

A. Date of finding(s)
B. Description of deficiency
C. Relevant regulation or contract citation(s)
D. Prior history of non-compliance (if applicable)
E. Timeframe of approval of CAP (30-days post findings) and resolution of CAP completion (90-days postdate of finding(s))

2. **Determination of Severity —** DWIHN evaluates severity using the following categories:
    A. Level 1: Minor or first-time issue; minimal risk to members
    B. Level 2: Moderate or repeat issue; elevated risk or ongoing impact to members
    C. Level 3: Serious or systemic issue; direct risk to health/safety to members or significant contractual violation

    Once severity is determined, the identifying individual will follow the SUD Escalation Protocol Criteria.
3. **Corrective Action Plan (CAP) Requirement —** For Level 1 or 2 issues a written CAP request that includes:
    A. Description of the deficiency
    B. Required corrective actions
    C. Documentation required to demonstrate correction
    D. Timeline for completion (30–90 days depending on severity; anything past 90 days). Provider must obtain written approval from DWIHN)
    E. Consequences of failure to comply
    F. DWIHN must approve CAP prior to Provider Agency implementation.
4. **Monitoring CAP Completion —** DWIHN reviews submitted CAP documentation and verifies corrective actions. Verification may include:
    A. Review of policies and procedures
    B. Follow-up site visits
    C. Staff interviews
    D. Review of service records

    If a CAP is incomplete, late, or insufficient, DWIHN may escalate sanctions.
5. **Sanctions for Non-Compliance — If** a provider fails to complete a CAP, an environmental audit, submission of required reports or documents, or is unable to show any adequate performance improvement, DWIHN may impose one or more of the following sanctions with written notice of deficiency: Formal notice documenting continued non-compliance to notify Provider Agency of the next steps of sanction(s):
    A. **30-Day Remediation Plan** — During the 30-Day Remediation period, the following actions and expectations will apply:
        - **Automatic Suspension of New Referrals**: Upon initiation of the 30-Day Remediation Plan, provider will be automatically suspended from receiving

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new referrals for the duration of the remediation period

- **Designation of Provider Remediation Team**: The provider must submit a list of all staff members who will be responsible for completing the remediation plan, including each individual's name, job title, email, and role in the process. This staffing outline must be provided to DWIHN at the start of the remediation period.
- **Weekly Virtual Status Meetings**: The provider is required to participate in weekly virtual 30-minute status report meetings with the DWIHN Remediation Team. These meetings will include updates from both the DWIHN Remediation Team and the provider's remediation team regarding progress on required deliverables.
- **Weekly Compliance Reporting**: Following each week of the remediation period, the DWIHN Remediation Team will issue an official Compliance or Non-Compliance letter to the provider. This letter will document whether the provider met the deliverables assigned for the previous week and will outline any outstanding requirements.
- **Completion Determination**: At the conclusion of the 30-Day Remediation Plan, the provider will receive an official notice indicating either:
    - **Successful Completion** of all remediation requirements
    - **Non-successful Completion** of the Remediation Plan — This notice will include DWIHN's determination of next steps, which may include continuation of remediation efforts, extension of corrective actions, or additional sanctions.

B. **Payment Hold**

- Temporary withholding of payment until deficiencies are corrected
- Reduction in claim amount until deficiencies are corrected

C. **Contract Amendment**

- Reduction of service scope
- Conditional contracting language

D. **Contract Suspension or Termination**

- Applied when there is serious ongoing non-compliance or immediate risk to members' health and safety

6. **Documentation of Sanction —** All sanctions must be documented in the provider's compliance file. Documentation includes:
    A. Description of issue
    B. Sanction level and type
    C. Dates of notice and deadlines
    D. Documentation of previous communication to the provider regarding issue(s)/violation(s)
7. **Provider Appeals —** Providers have the right to appeal sanctions in writing within DWIHN

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established timelines (2 business days). DWIHN will review appeals through its designated review committee and issue a written decision within one week.

A. Timelines — Timelines may vary by issue severity, but commonly:
    - CAP submission was completed by DWIHN to the Provider Agency within 15 days of completion of review findings.
    - Provider Agency to provide DWIHN with CAP for Approval: within 15 days of receipt of CAP submission.
    - CAP Completion: within 90 days of receipt of finding(s)
    - Sanction notice: within 10 business days of determination of non-compliance
    - Appeals response: within 30 days

8. **Reporting and Oversight** — DWIHN will report sanctions to:
    - DWIHN Compliance Committee
    - Internal leadership as appropriate (following the SUD Escalation Protocol Criteria attached)
    - Relevant state departments when required

    Sanctions and resolutions will be reviewed regularly to ensure consistency across the provider network.
9. **Continuous Improvement —** SUD Department will annually review sanction outcomes to identify system-wide issues, update procedures, and improve provider performance expectations.

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MONITORING STEPS

Who monitors this procedure:	Kelly Myricks - SUD Initiatives Administrator
Department:	SUD, MCO, Compliance
Frequency of monitoring:	Quarterly
Reporting provided to:	SUD Director
Comments:	

Attachments

Escalation Criteria.docx

Approval Signatures

Step Description	Approver	Date
VP of Clinical	Erik Hutchison: Vice President of Clinical Operations	Pending
Unit Review and Approval	Matthew Yascolt: Director of Substance Use Disorder	09/2026

Applicability

Detroit Wayne Integrated Health Network

References

42 CFR Part 2, 42 CFR Part 440, MDHHS and DWIHN (PIHP) Contract, Michigan Mental Health Code, PA 258 of 1974, Michigan Public Health Code (PA 368 of 1978

Standards

No standards are associated with this document

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