

NORTHPOINTE BEHAVIORAL HEALTHCARE SYSTEMS

POLICY TITLE: Direct Service Provider Network Selection & Analysis

PAGE: 1 of 5

MANUAL: Administrative

SECTION: Contracts

ORIGINAL EFFECTIVE DATE: 2/27/02

BOARD APPROVAL DATE: 10/24/13

REVIEWED/REVISED ON DATE: 2/15/18

CURRENT EFFECTIVE DATE: 4/1/18

REVISIONS TO POLICY STATEMENT: YES NO **OTHER REVISIONS:** YES NO

APPLIES TO:

This policy applies to every Northpointe current and potential Network provider and provider personnel.

POLICY:

It is the policy of Northpointe that an adequate Provider Network be developed and maintained to meet the needs of individuals for Mental Health Specialty Supports and Services and Substance Use Services. Northpointe will continually assess individual needs and provide the full array of services in appropriate settings to meet those care needs while evaluating and planning for the expansion, adjustment and improvement of the Provider Network. Soliciting providers for the service delivery system must be done with due deliberation and sensitivity to procurement and contracting issues. Reimbursement will be the lowest rate paid by other payers for the same or similar service. This includes advertised discounts, special promotions, and other programs where reduced pricing is in effect.

- A. The procedures set forth in this document shall be used for the development/selection of a Provider Network
- B. That all qualified providers, meeting specific criteria (criteria: licensure, accreditation status, fiscal stability, litigation status, insurance levels and enrollment in the Provider Network), expressing an interest in contracting with Northpointe be given the opportunity to compete for contracts.
- C. It is the policy of Northpointe to adequately and in a timely manner coordinate with out of network providers through single case agreements, when a medically necessary service covered under the MDHHS contract is unavailable within the network.

Individual choice considerations will be incorporated into the network configuration and selection strategies through their individual PCP's, satisfaction surveys and individual involvement in the RFP process and ongoing provider network site reviews.

PURPOSE

To comply with the BBA requirement, 42 CFR section 438.206(b) (1) (I-V), 438.206(c) (1) (ii-iv) (2), 42 CFR Part 438.207(b) (2), and Michigan Department of Health and Human Services (MDHHS) contract requirements.

Northpointe will perform a formal gap analysis to determine network provider needs and ensure that the following procedures address the objectives of Northpointe in securing necessary services and supports at fair and economical prices with appropriate attention to:

- quality of care;
- quality of service;
- maintenance of existing care relationships and service networks;
- creating or expanding service/provider options for individual choice;
- individual movement if a individual is not satisfied with the services of a particular provider;
- the business needs of the organization.

DEFINITIONS:

Individual – A person who is currently receiving services through a Community Mental Health Board.

In-Network - a contract provider on the Northpointe/NorthCare provider panel.

Out of Network- a contract provider not credentialed/privileged on the Northpointe/NorthCare provider panel.

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Person Centered Planning –Person Centered Planning (PCP) means a process for planning and supporting the individual receiving services that builds upon the individual’s capacity to engage in activities that promote community life and that respects the individual’s preferences, choices and abilities. The person-centered planning process involves families, friends, and professionals as the individual desires or requires.

RFP – A Request for Proposal document outlining bid requirements, scope of services, qualifications, etc.

PROCEDURES:

Out of Network Non-Emergent

The need for an out of network provider is determined through the person centered planning process. Northpointe will locate a qualified willing provider to provide the medically necessary service. Terms of service provision and rate will be established. The out of network provider will be educated about completion of required documentation that must be completed in a manner consistent with Northpointe’s policies and procedures.

Out of Network Non-Emergent

Authorization for out of network non-emergent mental health services is delegated to Northpointe. The need for an out of network provider is determined through the person centered planning process. Northpointe will locate a qualified willing provider to provide the medically necessary service. Terms of service provision and rate will be established. The out of network provider will be educated about completion of required documentation that must be completed in a manner consistent with Northpointe.

Substance Use Disorder services are coordinated by the Central Diagnostic and Referral office.

Northpointe:

- may not discriminate for the participation, reimbursement, or indemnification of any provider who is acting within the scope of his or her license or certification under applicable state law, solely on the basis of that license or certification; and
- must give those providers not selected for inclusion in the network written notice of the reason for its decision;
- is not required to contract with providers beyond the number necessary to meet the needs of its beneficiaries, and
- is not precluded from using different practitioners in the same specialty;
- is not prohibited from establishing measures that are designed to maintain quality of services and control costs and are consistent with its responsibilities to its beneficiaries;
- must ensure that it does not employ or contract with providers excluded from participation in federal health care programs under either Section 1128 or Section 1128A of the Social Security Act.
- In addition, selection policies and procedures cannot discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatments.
- Northpointe will not contract with a provider who prohibits, or otherwise restricts, a health care professional acting within the lawful scope of practice, from advising or advocating on behalf of an enrollee who is his or her patient.

Northpointe will oversee the Provider Network by ensuring the following:

- A. The services/supports it provides, either directly or via contract with an outside vendor, offer best value. Best value is defined as the highest level of quality at the lowest price. This may be accomplished by:
 1. Open competition in the bidding out of services, using sealed bids
 2. A modified open competition method, using a negotiated bid price and negotiated service/support

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process

3. An avoidable cost analysis – Compare the direct costs of the CMH providing the service (known as the avoidable costs) with the sum of the total costs of a contractor (contractor costs) providing the service plus the cost associated with the work that CMH has to do to manage the contract (transaction cost). This cost analysis can be done on a per unit, per episode of care, or per person basis, depending upon the service being purchased. If $AC > CC + TC$, then contract out all or a portion of the service. If $AC < CC + TC$, then directly provide the service.
- B. The Provider Network will be assembled either through competitive contracting, or through a comparative cost method that demonstrates network selection process were equitable to all interested entities and that the providers selected represent “best-value” from a price and quality perspective.
- C. Provider Network members will be credentialed and their information will be updated as their contracts are renewed as identified in Northpointe Credentialing Policy.
- D. Northpointe continually looks for gaps in the Provider Network to:
1. Determine if individual choices are incorporated into the network (i.e.: PCP, satisfaction surveys, RFP process, contract monitoring)
 2. Determine if ethnic/cultural/racial network needs are being met including Limited English Proficiency (i.e.: PCP, satisfaction surveys, advisory board, contract monitoring)
 3. Determine if the network is culturally competent and linguistically appropriate (i.e.: PCP, satisfaction surveys, advisory board, contract monitoring)
 4. Determine that services are accessible, taking into account travel time, availability of public transportation, and other factors that may affect accessibility and that the location of primary service providers is within 60 minutes/60 miles from the beneficiary’s residence for office or site-based services.
 5. Determine that Network providers do not segregate Northpointe individuals in any way from other individuals receiving their services, and offer hours of operation to Northpointe individuals that are no less than the hours offered other individuals receiving their services;
 6. Determine that Network Providers do not contract or employ providers currently sanctioned or excluded from participation in federal health care programs under Section 1128 or 1128a of the Social Security Act;
 7. Determine that Network Providers do not discriminate against particular providers that serve high-risk populations or who specialize in conditions that require costly treatment.
 8. Determine that Network Providers are regularly monitored to ensure all needed services are available and accessible to beneficiaries, and to determine whether provider capacity is sufficient in number, mix, and geographic distribution to assure adequate access to serve the expected beneficiary enrollment in the Northpointe service area.
 9. Determine that corrective action is taken if there is failure to comply with applicable requirements for availability of services (42 CFR Part 438.206) or assurance of adequate capacity and services (42 CFR Part 438.207).
 10. Determine if the number of providers is adequate to meet the particular service needs. (i.e.: waiting lists, utilization management, satisfaction surveys)
 11. Review waiting lists for all services
 12. Review the site survey results (quality – contract monitoring)
 13. Reasons for additions or losses to the Provider Network (i.e.: satisfaction surveys, advisory board)
 14. Determine the appropriate course of action based upon the above findings. (A detailed plan is developed to resolve any issues discovered delineating time frames and responsible persons.)

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Information may come from a variety of sources, with the intent of obtaining a comprehensive overview of system needs. Such sources may include but are not limited to the following:

- PIHP Gap analysis and PPG submission to MDHHS
- Customer Satisfaction Surveys
- Comparing of provider locations to enrollees zip codes
- Historical QI, TEDS and Service Data
- Incidence and Prevalence Data
- Information as requested from contracted providers
- Member data and Members served
- Occupancy rates of residential providers
- Provider Profiles, Numbers and Specialties
- Other information as deemed appropriate

When it has been determined that Northpointe Network is in need of contractual services for either an organizational provider or individual practitioner, systemic inquiries shall be made to applicable departments within the current network of providers on the availability of any contractual service provider(s) whom may have the qualifications and the experience required to meet the specific needs of Northpointe Network for the specific service. After such inquiries have been made, the CEO or designee, may enter into preliminary noncompetitive negotiation with a particular service provider or under certain circumstances Northpointe may select a service provider without a competitive bidding process, if at least one of the following circumstances applies:

- a. The service is available only from a single source.
- b. There is a public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation.
- c. After solicitation of a number of sources, competition is determined inadequate.
- d. The services involved are professional (clinical; etc...) services of limited quantity or duration.
- e. The services involved are professional (administrative) services which do not constitute comprehensive management services (so-called MSO or ASO arrangements with a sole source) or significant automated data processing services.
- f. The services involve self-insurance pooling necessary for Northpointe Network in implementing its risk management plan, including, if applicable and preferred, the securing of risk insurance policy coverage.
- g. The services are unique and/or the selection of the service provider has been delegated to the individual under a self-determination program.
- h. The services are existing residential service systems where continuity of care arrangements are of paramount concern.

Upon completion of such noncompetitive negotiations, the CEO, or designee, may approve a service contract. However, if none of the above-cited circumstances apply and if Northpointe Network does plan to restrict or otherwise limit the number of providers for specific services, its CEO, or designee, shall implement Northpointe's Procurement Process Policy. If Northpointe Network does not plan to restrict or otherwise limit the number of providers who can participate in its provider panel network for specific services, its CEO, or designee, may negotiate with multiple available service providers whom may have the qualifications and the experience required to meet its specific needs for the specific service(s), and the CEO, or designee, may approve service contracts with such providers on a service unit fee for actual services basis.

All qualified providers, meeting specific criteria (e.g. accreditation status, fiscal stability, litigation status, properly credentialed and appropriate insurance coverage) expressing an interest in contracting with Northpointe will be given the opportunity to compete for contracts. Contracts will be awarded in accordance with Northpointe's Procurement

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Process policy, If Northpointe declines to include organizational or individual/group providers in its Network, written notice of the reason for its decision will be provided to the provider. Any contract for services must have the approval of the CEO, or designee, of Northpointe. All contracts and contract providers must qualify by meeting the requirements of Northpointe, the state and the federal government, as applicable.

The Officer of Inspector General's (OIG) exclusions database is searched at the time of enrollment and monthly to make certain that the provider entity and any individuals with ownership or control interest in the provider entity (direct or indirect ownership of five percent or more or a managing employee) have not been excluded from participating in federal health care programs.

Ownership and controlling interest disclosures are required from fiscal agents and providers with submission of a proposal in accordance with NorthCare Network's procurement process, upon execution of a contract with NorthCare Network, upon renewal or extension of a contract and within 30 days after any change in ownership.

Northpointe will notify MDHHS if any disclosures are made with regard to the ownership or control by a person that has been convicted of a criminal offense; or, if any staff member, director, or manager, individual with beneficial ownership of five percent or more, or an individual with an employment, consulting, or other arrangement with Northpointe has been convicted of a criminal offense.

REFERENCES

- BBA Section 438.12
- BBA 42 CFR Section 438.206 (b) (1) (I-V)
- BBA 42 CFR Part 438.206 (c) (1) (ii-iv) (2)
- BBA 42 CFR Part 438.206 (b) (2)
- BBA Section 438.207 (c)(2); 438.10 (f)(5);
- CMHSP/ MDHHS Contract Section 6.2, 6.4, 5.3.3
- Michigan Medicaid Provider Manual Mental Health and Substance Abuse
- PIHP/ MDHHS Specialty Mental Health Services and Supports Contract
- PIHP/ MDHHS ABW Contract
- URAC P-NM-3 OPS 5
- Office of Inspector General

This policy previously titled Provider Network Composition