

<b>Chapter:</b>	<b>Utilization Management</b>		
<b>Title:</b>	<b>Level of Care System (LOC) for Parity</b>		
<b>Policy:</b> <input checked="" type="checkbox"/> <b>Procedure:</b> <input type="checkbox"/> Page: 1 of 2	<b>Review Cycle:</b> Biennial  <b>Author:</b> Chief Behavioral Health Officer; Admissions and Benefits Standardization Workgroup	<b>Adopted Date:</b> 03.03.2020  <b>Review Date:</b> 05.03.2022	<b>Related Policies:</b> Service Philosophy Utilization Management

### **Purpose**

The purpose of this policy is to define the expectations for MSHN and its Community Mental Health Service Program (CMHSPs) participants related to ensuring consistent application of medical necessity criteria by implementing the regional admission and service guidelines that include service code-level thresholds for individuals via a nationally recognized recommended Level of Care (LOC) instrument (i.e. CAFAS/PECFAS, LOCUS, or SIS), and person-centered planning process. This is used to address compliance with the Mental Health Parity and Addiction Equity Act of 2008.

### **Policy**

Mid-State Health Network (MSHN) and its provider network shall ensure that medical necessity determination decisions are informed by the MSHN Admission and Service Selection Guidelines. It is the policy of MSHN and its CMHSP participants to use objective evidence-based criteria and best practices, objective service utilization patterns and the person-centered planning process that includes consideration of the individual circumstances and the local delivery system when determining medical necessity. MSHN and its CMHSP participants use nationally-recognized criteria based on sound clinical evidence to ensure a consistent benefit across the region, (MCG Behavioral Health Medical Necessity Guidelines), need identification instruments, and the person-centered planning process to make utilization management (UM) decisions for behavioral health services as well as for agreed upon thresholds comparable to all Michigan Pre-Paid Inpatient Health Plans (PIHPs).

MSHN delegates all access, authorization and utilization management functions for behavioral health services to its CMHSP participants, which must operate in compliance with regional policy and procedure.

### **Applies to:**

- ☒ All Mid-State Health Network Staff  
☐ Selected MSHN Staff, as follows:  
☒ MSHN's CMHSP Participants: ☐ Policy Only    ☒ Policy and  
☐ Procedure Other: Sub-contract Providers

### **Definitions/Acronyms:**

**CAFAS:** Child and Adolescent Functional Assessment Scale

**CMHSP:** Community Mental Health Service Program

**LOC:** Level of Care

**LOCUS:** Level of Care Utilization System

**MCG:** MCG Health is a software vendor who offers a proprietary product, the MCG Care Guidelines. The MCG Care Guidelines were selected by the Michigan Parity Workgroup as the tool to be utilized by all Michigan PIHPs and CMHSPs to provide care guidance for acute behavioral health services.

**MSHN:** Mid-State Health Network

**PECFAS:** Preschool and Early Childhood Functional Assessment Scale

PIHP: Prepaid Inpatient Health Plan  
SIS: Supports Intensity Scale

**References/Legal Authority:**

1. Mental Health Parity and Addiction Equity Act of 2008
2. MDHHS Mental Health and Substance Use Disorder Parity Assessment and Corrective Action Plan, 2018

**Other References:**

N/A

**Change Log:**

<b>Date of Change</b>	<b>Description of Change</b>	<b>Responsible Party</b>
07.24.2019	New Policy	Director of Utilization and Care Management
02.24.2022	Biennial Review	UM Committee