

MEDICAID POLICY INFORMATION SHEET

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Initial ☐

Public Comment ☒

Final ☐

Brief description of policy:

The Michigan Department of Health and Human Services (MDHHS) is seeking approval from the Centers for Medicare & Medicaid Services (CMS) for a State Plan Amendment (SPA) to update current Substance Use Disorder Health Home (SUDHH) services. This SPA would update the current payment rates and provider requirements for the SUDHH. MDHHS will add an Addictionologist to the Care Team staff and increase the Peer Recovery Coach and Community Health Worker ratio. The incorporation of additional Care Team staff will enhance the structure of the SUDHH and support improved beneficiary outcomes.

Reason for policy (problem being addressed):

To update the current payment rates and provider requirements for the SUDHH.

Budget implication:

☐ budget neutral

☒ will cost MDHHS \$2,922,468 (\$1,031,339 GF), and is budgeted in current appropriation

☐ will save MDHHS \$

Is this policy change mandated per federal requirements?

No

Does policy have operational implications on other parts of MDHHS?

Yes, the Community Health Automated Medicaid Processing System (CHAMPS), Data Warehouse, and Waiver Support Application.

Does policy have operational implications on other departments?

No

Summary of input:

☐ controversial

☒ acceptable to most/all groups

☐ limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: ☒ Yes ☐ No

If Yes, please provide status:

☐ Approved

☒ Pending

☐ Denied

Date:

Approval

Date:

Public Notice Required: ☒ Yes ☐ No

If yes,

Submission Date: **7/14/25**

**DRAFT FOR PUBLIC
NOTICE****Michigan Department of
Health and Human Services****Project Number:** 2532-BH**Date:** September 2, 2025**Comments Due:** October 7, 2025**Proposed Effective Date:** December 1, 2025**Direct Comments To:** Morgan VanDenBerg**E-Mail Address:** Vandenbergm1@michigan.gov**Policy Subject:** Substance Use Disorder Health Home**Affected Programs:** Medicaid, Healthy Michigan Plan, Freedom to Work, MICHild**Distribution:** Prepaid Inpatient Health Plans (PIHP), Community Mental Health Services Programs (CMHSP), Medicaid Health Plans (MHP)

Summary: The Michigan Department of Health and Human Services (MDHHS) is seeking approval from the Centers for Medicare & Medicaid Services (CMS) for a State Plan Amendment (SPA) to update current Substance Use Disorder Health Home (SUDHH) services. This SPA would update the current payment rates and provider requirements for the SUDHH. MDHHS will add an Addictionologist to the Care Team staff and increase the Peer Recovery Coach and Community Health Worker ratio. The incorporation of additional Care Team staff will enhance the structure of the SUDHH and support improved beneficiary outcomes.

Purpose: To update the current payment rates and provider requirements for the SUDHH.**Cost Implications:** \$2,922,468 (\$1,031,339 GF)**Potential Hearings & Appeal Issues:** None identified**State Plan Amendment Required:** Yes ☒ No ☐**If yes, date submitted:** Pending**Public Notice Required:** Yes ☒ No ☐**Submitted date:** July 14, 2025**Tribal Notification:** Yes ☒ No ☐ - **Date:** July 21, 2025**THIS SECTION COMPLETED BY RECEIVER**☐ **Approved**☐ **No Comments**☐ **See Comments Below**☐ **Disapproved**☐ **See Comments in Text****Signature:****Phone Number****Signature Printed:****Bureau/Administration** (*please print*)**Date**

Proposed Policy Draft

Michigan Department of Health and Human Services
Health Services

Distribution: Prepaid Inpatient Health Plans (PIHP), Community Mental Health Services Programs (CMHSP), Medicaid Health Plans (MHP)

Issued: November 1, 2025 (Proposed)

Subject: Substance Use Disorder Health Home

Effective: December 1, 2025 (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan, Freedom to Work, MIChild

Note: Implementation of this policy is contingent upon approval of a State Plan Amendment (SPA) by the Centers for Medicare & Medicaid Services (CMS).

Pursuant to the requirements of Section 2703 of the Patient Protection and Affordable Care Act/Section 1945 of the Social Security Act, the purpose of this policy is to provide for the coverage and reimbursement of Substance Use Disorder Health Home (SUDHH) services effective for dates of service on and after December 1, 2025. The policy applies to fee-for-service and managed care beneficiaries enrolled in Medicaid, Healthy Michigan Plan, Freedom to Work, Healthy Kids Expansion or MIChild who meet health home eligibility criteria. In addition, the Michigan Department of Health and Human Services (MDHHS) will create a companion operations guide for providers, the Substance Use Disorder Health Home Handbook, which will be maintained on the [Substance Use Disorder Health Home](#) website.

General Information

MDHHS is seeking approval from CMS for a SPA to update current SUDHH services. The purpose of this SPA is to update the current payment rates and provider requirements for the SUDHH. MDHHS will add an Addictionologist to the Care Team staff and increase the Peer Recovery Coach and Community Health Worker ratio. The incorporation of additional care team staff will enhance the structure of the SUDHH and support improved beneficiary outcomes.

SUDHH Provider Requirements

The responsibilities of an Addictionologist Medical Physician Consultant include, but are not limited to:

- Developing comprehensive treatment plans that include medical care, behavioral therapies and long-term management strategies; and

- Assisting individuals recovering from addiction using evidence-based methods to reduce cravings and withdrawal symptoms.

Payment Methodology

Staffing Model

SUDHH payment rates are based on a staffing model per 100 beneficiaries with salary, fringe benefit, and indirect cost information derived from utilizing provider compensation data evaluation of the staffing required to maintain the model SUDHH per 100 enrollees:

Lead Entity (per 100 patients)

- Health Home Director (0.25 FTE)
- Behavioral Health Specialist (0.25 FTE)
- Nurse Care Manager (1.00 FTE)
- Peer Recovery Coach, Community Health Worker (3.00-4.00 FTE)
- Medical Consultant (0.10 FTE)
- Addictionologist Medical Physician Consultant (0.10 FTE)
- Psychiatric Consultant (0.05 FTE)

Rate Amounts

The SUDHH payment rates reflect a monthly case rate per SUDHH beneficiary with at least one proper and successful SUDHH service within a given month. The payment for SUDHH services is subject to recoupment from the PIHP if the beneficiary does not receive an SUDHH service during the calendar month. Rates will be effective on or after December 1, 2025. Rate information will be maintained in a fee schedule posted on the [Substance Use Disorder Health Home](#) website. The fee schedule will be evaluated annually and updated as appropriate.