



Section: Provider Network Management	Policy Name: Provider Network Monitoring	Policy Number: 02.13
Owner: Director of Provider Network Management	Reviewed By: Mila C. Todd	Total Pages: 5
Required By: ☒ BBA ☒ MDHHS ☐ Other (please specify): _____	Final Approval By: 	Date Approved: Jul 13, 2026
Application: ☒ SWMBH Staff/Ops ☒ Participant CMHSPs ☐ SUD Providers ☐ MH/IDD Providers ☐ Other (please specify): _____	Line of Business: ☒ Medicaid ☐ Other (please specify): ☒ Healthy Michigan _____ ☒ SUD Block Grant ☒ SUD Medicaid	Effective Date: 1/1/2014

Policy: Southwest Michigan Behavioral Health (SWMBH) and participant Community Mental Health Service Providers (CMHSP) shall monitor the performance, quality, contract compliance and compliance with Federal and State standards and regulations of each entity with whom it contracts to provide mental health and substance use disorder services for customers utilizing Medicaid funds. SWMBH and its participant CMHSPs will monitor their provider network(s) annually at minimum. Monitoring may occur through a variety of mechanisms, such as through the use of shared reviews conducted by external Prepaid Inpatient Health Plans (PIHP), where appropriate. SWMBH will review and follow-up on any provider network monitoring conducted by its participant CMHSPs. SWMBH and its participant CMHSPs will adhere to the Michigan Department of Health and Human Services (MDHHS) Network Management Reciprocity & Efficiency Policy while conducting review activities.

Purpose: The purpose of this policy is to define the methods for monitoring, review, and oversight of contracted providers by SWMBH and participant Community Mental Health Service Providers (CMHSP) to assure the highest quality of services are provided to customers.

Scope: SWMBH; Participant CMHSPs

Responsibilities: SWMBH and its Participant CMHSPs are responsible for annual monitoring of their provider network(s) to ensure compliance with applicable contract provisions, rules, and regulations.



Definitions:

- A. **Sanctions:** Penalties triggered when a provider fails to meet specified performance standards or other conditions of the contract. Sanctions include a range of options of varying in severity depending on the seriousness, frequency and/or nature of the contract violation. Sanctions may include, but are not limited to:
1. Letter of guidance, warning or reprimand
 2. Impose conditions for continued practice within the SWMBH provider network.
 3. Referral moratorium
 4. Impose requirements for monitoring or consultation.
 5. Recommendation for additional training or education.
 6. Contract termination with cause.

Standards and Guidelines:

- A. **Communication to Providers Regarding Requirements & Expectations**
SWMBH and participant CMHSPs will assist providers in understanding contractual requirements and expectations through a variety of means including, but not limited to:
1. New provider orientation of contractual requirements and business practices.
 2. Designated provider network staff to address provider questions and concerns.
 3. Notification to providers of changes in Federal and State regulations impacting contractual requirements and/or business practices.
 4. Notification to contracted providers of changes in SWMBH or CMHSP policy.
 5. On-going training.
- B. **Communication from Providers regarding Negative Action**
1. It is the responsibility of providers to communicate negative actions to the entity that holds the contract with the provider. Participant CMHSPs shall report negative actions regarding their provider networks to SWMBH within five (5) business days of becoming aware of an action.
 2. Providers are expected to provide immediate notification (within 10 business days) for the following actions:
 - a. Loss of accreditation.
 - b. Loss of insurance.
 - c. Unfavorable financial audit.
 - d. Successful litigation claim against the Provider member.
 - e. Loss of substance abuse license.
 - f. Loss or change in Adult Foster Care or Child Placing Licensing.
 - g. Reports of substantiated violations of State or Federal rules or regulations.
 - h. Any claim, allegation, financial loss or change in credentialing that may negatively impact the provider.
 - i. Loss of professional licensure.
 3. Sentinel Events must be reported as soon as possible and in accordance with the MDHHS contract and SWMBH policy.
- C. **Provider Monitoring Review Elements**

1. The monitoring of providers shall consist of a review of the following applicable elements:
 - a. Federal regulations, including the Medicaid Managed Care Regulations, Code of Federal Regulations (CFRs), Health Insurance Portability and Accountability Act (HIPAA), Centers for Medicare and Medicaid Services (CMS) protocols for PIHPs, and applicable federal laws pertaining to the Medicaid program and/or health plan.
 - b. PIHP managed care administrative delegations to CMHSPs.
 - c. Michigan Mental Health Code and Substance Use Disorder Administrative Rules.
 - d. Provider contract provisions.
 - e. SWMBH policies, standards and procedures.
 - f. Michigan Medicaid Provider Manual
2. Reference source(s) for specific monitoring or audit standards will be included on monitoring tools.
3. Monitoring tools will be reviewed annually for necessity, value and efficiency of specific monitoring or audit standards.
4. When adding new monitoring items to review processes, SWMBH and its participant CMHs will review the necessity of existing items, and whenever possible consider reducing or eliminating items of less value.
5. SWMBH and its participant CMHs will utilize the provider review tools attached to this policy for provider reviews.
6. SWMBH and its participant CMHs will incorporate meaningful consumer involvement in the monitoring activities of service providers.
7. SWMBH and its participant CMHSPs will utilize processes and procedures to share provider monitoring results of shared providers within the SWMBH region in order to reduce redundant processes and duplicative site reviews of providers contracting with multiple SWMBH organizations.
8. Monitoring results may be obtained from another Regional Entity/PIHP for shared providers. Results will be reviewed and if found complete and sufficient, may be accepted in the provider file as evidence of provider monitoring.
9. This policy does not usurp the ability of the funding PIHP/CMHSP to conduct ad hoc audits or reviews of provider programs where needed or indicated at any time based on reported performance or as required by external entities

D. Provider Non-compliance and Sanctions

Whenever possible, SWMBH and participant CMHSPs will work toward continuous improvement with providers who are out of compliance with their contract. SWMBH and participant CMHSPs will develop procedures to address contract compliance and the use of sanctions.

1. Sanctions will be used with providers who demonstrate unsatisfactory performance, lack of response, failure to submit plan of correction within required timeframe and/or discovery of significant risks (i.e., health hazard, injury, loss, exposure).



2. Sanctions will be based on the severity and frequency of the contractual violation(s). Typically, sanctions may be progressive in nature, but can begin at any level depending on the severity and frequency of the violation.
3. Under usual circumstances (a non-emergent situation where health and safety is not at risk), sanctions will require providers to satisfactorily remediate/correct violations noted, within a time frame determined by the contracting entity.
4. Under emergent situations where health and safety is a concern, the provider will immediately remediate/correct violations.
5. Ongoing monitoring of the provider will occur to ensure prompt resolution of the issues for which the sanction was applied.

F. Communication to Providers regarding Sanctions

1. SWMBH and participant CMHSPs will send the provider notice outlining the areas of non-compliance. Correspondence will outline the following:
 - a. Area(s) of non-compliance
 - b. Level and type of sanction
 - c. Expected remedy or improvement
 - d. Additional monitoring of the provider.
 - e. Date the remedy is expected to occur.
 - f. Due date for a response from the provider.
 - g. Contact person for questions and correspondence.
 - h. Statement indicating that continued non-compliance may include termination of the contract.
 - i. Notice of grievance and appeal process for non-clinical decisions.
2. Participant CMHSPs shall report contractual sanctions of their provider networks to SWMBH within five (5) business days of the sanction date.

References:

MDHHS-PIHP Contract, Schedule A, Section 1(E)(1)

Attachments:

- A. 02.13A Primary & Clinical Providers Administrative Review Tool
- B. 02.13B Ancillary Community-Based Services Administrative Review Tool
- C. 02.13C Specialized Residential Administrative Review Tool
- D. 02.13D Financial Management Services Administrative Review Tool
- E. 02.13E SUD Full Administrative Review Tool
- F. 02.13F SUD Recovery Housing Review Tool
- G. 02.13G SUD Provider Full Clinical Review Tool
- H. 02.13H LPH Compliance Standards with Guidance
- I. 02.13I Inpatient Staffing Chart
- J. 02.13J IPHU Chart Summary
- K. 02.13K ABA Administrative Review Tool
- L. 02.13L ABA Provider Clinical Quality Review Tool

02.13 Provider Network Monitoring

Final Audit Report

2026-07-13

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